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The development of domestic hotels in Thailand

“Tracing the past, seeing the present and predicting the future”

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July 2014

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Statement of Contributions of Others

The table below state the persons and organisations who have contributed to this thesis.

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Declaration on Ethics

The research presented and reported in this thesis was conducted within the guidelines for research ethics outlined in the National Statement on Ethics Conduct in Research Involving Human (1999) the Joint NHMRC/AVCC Statement and Guidelines on Research Practice (1997), the James Cook University Policy on Experimentation Ethics. Standard Practice and Guidelines (2001) and the James Cook University Statement and Guidelines on Research Practice (2001). The proposed research methodology received clearance from the James Cook University Experimentation Ethics Review Committee.

Approval number **H4908**

Jarujes Thanksooks

Date

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Abstract

In Thailand, several different forms of accommodation have emerged in response to changing customer trends. The growth of domestic hotels is one part of this development. The studies in this thesis seek to document the origins of domestic Thai hotels as well as the present and the future views of these properties from the perspectives of guests and operators.

The work has adapted the definition and concept of the domestic hotel from the description of specialist accommodation types used by Pearce and Moscardo (1992). Specifically, domestic hotels are owned by Thai personnel and the tourists who use these properties are mainly but not exclusively Thai citizens. The properties considered are not part of a consortium and provide personal interaction between the staff and guests. The domestic hotels of interest often have a special feature (a heritage or historic value) or provide special activities to the guests. They tend to have a moderate rather than a very large level of capital investment.

In this thesis, the timeline of research was divided into three periods; the first section of interest traced the development of the domestic hotel in Thailand by exploring tourism growth in Thailand from 1962 to 2012; the second time period assessed the present perspectives of key stakeholders toward the current development of domestic hotels; and the third section of the work explored reactions to the future development of domestic hotels in the next 5-10 years.

The first study (Chapter Three) was based on archival analysis and was designed to document the development of domestic hotels in Thailand in the last 50 years. Secondary data concerning Thai tourism and hotel development were explored and synthesised to identify the influential issues and understand the development of the domestic hotel and the hotel industry in Thailand. Eleven influential issues were identified as being significant for the development of domestic hotels. These influences were used to develop further studies.

The perception of domestic tourists' (Chapter Four) and hotel operators' (Chapter 5) toward the issues shaping domestic hotel development were considered. Questionnaire and interviews were used to conduct the studies with 334 domestic tourists and 33 hotel operators from Prachaub Khirikhan, Chonburi and Nakhon Ratchasima provinces. These groups and

locations were chosen because of their key roles in the domestic hotel sector. The analysis of variance statistical procedure was employed together with chi-square to assess the significant results in the data. In terms of similarities, domestic tourists and hotel operators had common perceptions of the importance of service quality, technology in the hotel, the benefits of domestic hotel locations, and the size of hotel operations. The hotel operators viewed the key influential incidents as the political crisis in Thailand in 2006 and 2010.

The third study (Chapter Six) employed a scenario approach to explore and summarise perspectives of respondents concerning future domestic hotel development. The findings, again using analysis of variance and chi –square, revealed that operators were more positive concerning scenario 1 (High Growth) and scenario 2 (Moderate Growth) whereas domestic tourists supported scenario 3 (Low Growth). The differences and similarities in the perception among domestic tourists and hotel operators toward the influential issues and scenarios were seen as both likely to shape the future development of domestic hotels.

Chapter Seven, the final chapter of this thesis, highlighted the core findings of each study. The highlights were then compared with the Tourist Area Life Cycle Model proposed by Butler (1980, 2006a) to understand the time-line of domestic hotel development and growth. Additionally, the conceptual value of several other key ideas in tourism development, including pivotal work by Cohen (1976), was re-examined in the context of the study. Thai tourism, including hotel development, has by-passed a stage of exploration. Growth was induced quickly and dramatically 50 years ago due to the American Military presence associated with the Vietnam War. Currently, the domestic hotel sector can be located in an “involvement” stage of development. Recommendations for the ideal future development of domestic hotels in Thailand were developed and presented.

In summary, the research in this thesis considered the development of domestic hotels in Thailand and added insights to the study of the wider tourism and entertainment sector. Additionally, the study provided a comprehensive account of the influential forces shaping current and future domestic hotel growth in three key regions of Thailand. This thesis also recommended the study of the future development of domestic hotels in other locations across Thailand and for other Southeast Asian countries.

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Chapter 1 - Introducing Domestic Hotels in Thailand

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1.1 Thesis Introduction

This thesis is concerned with the development of domestic hotels and the hotel industry in Thailand. The goals of the study are to investigate the influential issues that have shaped the development of Thai domestic hotels, and further, to assess stakeholders' responses to these kinds of accommodation properties. The stakeholder studies seek to establish empirical generalisations about the development of the Thai domestic hotels and concentrate on views of the present and future.

In assessing the growth of the Thai tourism industry, most researchers have studied either the development of international hotels or, alternatively, specialist accommodation options. Few studies have considered the growth of Thai domestic hotels and how they have contributed to the Thai tourism industry (Sagnarong, 2009). Therefore, one potential contribution of this thesis will lie in documenting and considering the past, present and future development of domestic hotels in Thailand. This time-oriented assessment can potentially add insights to the analysis of the local hotel sector and to the wider Thai and Asian tourism industry.

The work in this thesis has adapted the definition and concept of the domestic hotel from the description of specialist accommodation types defined by Pearce and Moscardo (1992). Specifically, domestic hotels are those that have been constructed in response to the growth of the tourism industry in Thailand and mainly (but not exclusively) used by domestic tourists. A further defining characteristic identifying Thai domestic hotels used in the study focussed on having Thai owners operate these businesses. The properties considered are not a part of a consortium and provide personal interaction between the staff and guests. On many occasions the domestic hotels of interest have a special feature (a heritage or historic value) or provide distinctive activities to the guest. They tend to have a moderate rather than a very large level of capital investment.

There are many challenges for the future development of domestic hotels in Thailand. These difficulties include competition from better resourced international properties

and an assortment of human resource challenges. This thesis identifies a wide range of possible issues and may help businesses prepare for the future. In this thesis, the timeline of research is divided into three periods; the first period attempts to trace the development of the domestic hotel in Thailand over the last 50 years by exploring hotel sector growth in Thailand from 1962 to 2012; the second time period of the study seeks to assess the present perspectives of key stakeholders toward the development of domestic hotels and the hotel industry; and the third section of the work explores reaction to the future development of domestic hotels by using scenarios based on study One and Two. After completing studies across the three time periods, the results are then linked with key academic ideas about change in the tourism industry including the tourism area life cycle model of development (Butler, 1980, 2006a). The final section of the thesis provides additional integrating remarks building on the new studies and considers links to the wider tourism literature.

1.2 Introduction to the Literature

The goal of this chapter is to introduce domestic hotels in Thailand and explain how these businesses have contributed to the development of tourism and the hotel industry. In order to explore the importance of domestic hotels and provide a context for the study, some relevant issues need to be addressed which included appraising tourism in Thailand in terms of the beginning of tourism, the growth of tourism, its administration and marketing, the types of tourism growth in the country, the rise of the Thai middle class, and the implications of this rise for domestic tourism. Additionally, the unknown future of domestic hotels, a key topic for the research is also located in this contextual framework.

1.3 Beginnings of Tourism in Thailand

The origins of travel in Thailand can be found in terms of religious pilgrimages to holy places and “merit-making” activities at the Thai temples (Kaosa-ard et al., 2001). Merit-making is a distinctive process within the Buddhist religion and consists of building a record of good devout behaviour incorporating regular acts of worship at sites and shrines. In the early twentieth century many Thais would travel to other

provinces by coach or train and stay overnight at relatives' homes in order to visit key sites. The expansion of roads and railways in each province and throughout Bangkok was subsequently improved in order to cope with traffic congestion. By the 1960s there was marked improvement of the roads serving Bangkok, especially in the business areas in Sathorn and Silom road and along the river to Klongteoy port and Donmuang Airport (Ouyyanont, 2001). These roads enabled Thai citizens to move around the regions and the main city with much more freedom than in the early parts of the twentieth century.

The modern Thai tourism industry was, however, primarily driven by the American soldiers' Rest and Recreation (R&R) program during the Vietnam War from 1962 to 1975 (Ouyyanont, 2001). The Rest and Recreation program resulted in massive growth of tourism and the hotel industry in Thailand. One example of this impact can be found in the study of Askew (2002) who argued that the rise of US servicemen stimulated and transformed Bangkok's premier middle class district of Sukhumvit and Phetchaburi roads into an entertainment strip, comprising bars and hotels. The importance of this development and its impact on Thai accommodation properties will be considered in more detail in a later chapter of this thesis.

Following this somewhat uncontrolled expansion of the tourism industry, the government established the Tourist Authority of Thailand (TAT) with the aim to provide support and guidance to the tourism and hotel sector. TAT responded to the trend of Thailand being seen as a rest and recreation destination for international visitors by emphasizing tourism promotion to the capital of Bangkok, specifically to Bangkok Palace, as well as to local temples. Nevertheless, a continued emphasis on night life persisted. Provincial attractions such as Sukhothai, Chiangmai, Pattaya, Phuket, Hat Yai and Samui Island were vigorously promoted in the 1980s (Ouyyanont, 2001). By the 1990s, Thailand attracted new groups of international tourists, many coming from Europe and Japan (Cohen, 1996; Hall, 1994).

1.4 The Growth of Tourism in Thailand

As suggested above, through the support of the government and the TAT, the tourism sector has become one of the revenue sources for the country and Thai tourism is an effective international competitor (TAT, 1998). An understanding of the broad Thai tourism story is facilitated by some attention to the policy and promotion campaigns of the 1980s and 1990s.

In response to the growth of the Thai tourism sector, the National Tourism Plan provided for extensive development at the national, provincial and local levels. TAT (1998) pointed out that the National Tourism Plan stressed the improvement of infrastructure and facilities at the major destinations such as Pattaya, Phuket and Koh Samui. In the 1990s, the significant success of the tourism in Thailand can be traced through increases in the number of international tourist arrivals from 1.8 million in 1980 to almost 5.3 million in 1990, and an increase in revenue from 17,765 million baht in 1980 to 110,572 million baht in 1990. In 2014 the value of the Thai baht is 32 Bht= \$ 1 US (Li & Zhang, 1997). The value of the baht for these earlier time periods represent varied international exchange rates but the current value is more favourable for the baht than in previous decades. With the recognition of the growth of the tourism sector, several campaigns were released to attract more international tourists. For example, “Visit Thailand Year 1987”, was one of the campaigns that had a significant role in the development of the tourism industry in Thailand (Qu & Zhang 1997). A series of further tourism promotional campaigns was then introduced to position Thailand as one of the world’s favourite tourist destinations (Li & Zhang, 1997).

The ‘Amazing Thailand 1998-1999’ promotion was specifically introduced with the hope of encouraging international visitors to spend more money during the devaluation of the Thai baht in 1997. The campaign was highly successful and was continued until 2003 (Intarakomalyasut, 2001). The number of tourist arrivals increased from 5.3 million in 1990 to 10.79 million in 2002, with a revenue of 360 billion baht in 2002 (TAT, 2004) . The TAT also adopted the Ninth Development

Plan's policy relating to the tourism promotion and development policies from 2002 – 2006 to improve the quality of people's lives, as well as strengthening actions such as the preservation of tourist attractions and local arts.

The TAT also sought to diversify the country's tourism products and identify the opportunities for future investment and employment. Some tourism developments delivered these opportunities and created new employment possibilities which increased local income. These plans attended to such issues as the establishment of tourism employment opportunities, sustainable tourism development and the enhancement of the tourism industry to international standards by adopting the philosophy of 'sufficiency economics' bestowed by the King of Thailand (TAT, 2002).

In the present decade the Thai tourism industry remains one of the nation's important sources for economic growth despite the crises and incidents that have occurred in Thailand. As one of the major tourist destination in South East Asia, Thailand has enjoyed the growth of the tourism and hotel industry with income now generated from both domestic and international tourists (Alan & Chotihamwattana, 2013). Alan and Chotihamwattana noted that Thailand was ranked fourth in Asia after China, Hong Kong, Malaysia in terms of earning revenue from the tourist sector. Choibamroong (2005) observed that the continually increasing numbers of international tourists to Thailand in the twentieth first century has repeatedly stimulated investment in Thai hotel businesses. Sritama (2004) has concluded that the rapid growth of the Thai tourism and the hotel industry was driven by the strong support from the government and the Tourism Authority of Thailand.

1.5 Types of Tourism in Thailand

1.5.1 Mass tourism

The rise in the standard of living for Thai citizens has resulted in more leisure time to enjoy travel and has boosted domestic growth (Cohen, 1996). During the last 20 years the Thai tourism industry overall has rapidly expanded due to improvements in both

transport and accommodation facilities as well as the upgrade of specialized tourism-oriented services (Cohen, 1996; TAT, 2010). The Thai tourism sector has shifted from a basic centralized system in Bangkok to other parts of the country, notably Phuket, Chiangmai, Chiangrai, Phangnga, Krabi and Songkhla (Kontogeorgopoulos, 1998). The terms mass consumerism or the expression mass tourism is appropriately used to describe the large number of tourists to Thailand and from within Thailand.

In the Thai tourism context, mass tourism can be depicted as comprising the majority of visitors to the country and characterises those who seek to enjoy Thai beaches, nightlife, and cultural sights in the leading tourist locations. According to the TAT (2013), 55% of the international tourists come from the Asia Pacific region, with the Japanese and Malaysians forming the two biggest groups, while the rest of tourists to Thailand come from key Western countries, such as United Kingdom, Australia, Germany, the United States and Scandinavia. In 2011, 1.7 million Chinese visitors travelled to Thailand and this figure is expected to increase this decade (TAT, 2014). TAT stated that the in-country destination which most attracted Asian tourists was Bangkok while the Western tourists travelled to the Southern beaches and Islands. The report concluded that the North was considered to be one of the main regions for special activities such as trekking and adventure activities, while the North East had fewer international tourists.

The idea of spending a holiday on palm-fringed and sun-drenched tropical isles with beaches of powdery, white sand has been widely included in the form of internet advertising, brochures, posters, and postcards. Such images have attracted tourists to several destinations in the Asia- Pacific region for some time (Cooper, 1994; Lockhart & Smith, 1993). Thailand's tourism industry promotion also exemplifies this trend but does add a diversity of attractions and activities for mass tourism. Promoting Thailand with the combination of sun, sea, and sand (and sex) typify the Pattaya district, Phuket and Samui Island (Kaosa-ard, 1998).

Following the rise of the rest and recreation groups, Pattaya emerged first as one of the mass tourist destinations in Thailand. Dominated by its image as a sex tourism venue, Pattaya turned into an internationally known seaside resort and generated

revenue for the Thai tourism industry. In 1991, Pattaya earned 15 percent of the national tourist income which was documented as the highest regional revenue for the Thai tourism industry. As a result, additional massive investment in accommodation and tourism businesses occurred in response to the anticipated further influx of tourists.

Following the boom of mass tourism in Pattaya, the Thai government and private tourism operators also promoted Phuket as the 'Pearl of the Andaman', resulting in a transformation of the island into a mass tourism seaside resort destination. (Kontogeorgopoulos, 2004). By 2001, international tourist arrivals had reached 2.7 million, an increase of 8.6% from the year before (TAT, 2002). Consequently, Kontogeorgopoulos (2004) observed that the rapid growth stimulated an explosion in the number and variety of accommodation types and tourist activities on Phuket Island. Bangkok Post (2004, p.6) added that mass tourism has brought to Phuket Island standard activities for tourists, such as shopping, and beach- related activities.

Samui Island can also be regarded as one of the mass tourist attraction locations emerging in the 1990s. Westerhausen (2002) has suggested that tourism development on Samui Island transformed a backpacker paradise into a mass tourist attraction. Massive investments and infrastructure projects stimulated the expansion of more modern accommodation and wider leisure options in response to the growing number of international tourists. These options reflected and, in turn, multiplied the economic turnover. Westerhausen noted that the number of international tourists on Samui Island stimulated specific tourism business activities included travel agencies, proper laundry shops, souvenir shops, supermarkets, bars and discotheques, foreign owned restaurants with international food, and more varied forms of accommodation.

1.5.2 Niche tourism

The growth of the mass tourism market has co-existed with developments for those who seek niche tourism activities (Cohen, 2008; Huh & Singh, 2007). Kotler (2003) argued that niche marketing focuses on sub-sets of customers and boosts products and services matched to specific needs and motives. The development of specific products is seen to be a way of attracting high-end tourists through a personalised niche or

service (Novelli, 2005). Huh and Singh (2007) also noted that niche tourism is seen as a mechanism for attracting high spending tourists because of its distinctive offerings. Growing niche tourism, therefore, is seen to be a marketing goal of the Thai tourism industry and one likely to provide substantial economic returns. The approach is a response to the difficulties of managing ever increasing numbers of tourists as well as the requirement for specific tourism products.

One clear example of integrating the niche marketing strategy into the tourism industry is that the Thai government and TAT have promoted medical tourism since the 1980s (Cohen, 2008). TAT (2014) reported that nearly 2.5 million medical tourists from countries around the world came to Thailand for medical treatment in 2012. Medical tourism has had continued growth through 2013. The Thai medical tourism industry's rate of growth is approximately 16% per year and is expected to continue to generate over 100 billion Thai baht in annual revenue by the year 2015 (Board of investment, 2012). The Kasikorn Survey Center found that 60% of Thailand's medical tourists (1.48 million persons) visited Thailand in 2012 with the intention of following a specific medical tourism program and received associated medical treatment. The Board of investment study also reported that Thailand's medical tourism industry generated at least 140,000 million Thai baht in year 2012.

As a result, the Tourism Authority of Thailand (TAT) has declared that the medical tourism industry is another significant source to generate revenue for the Thai economy. Medical tourism policy will boost the number of medical tourists as well as increase the average time they stay in Thailand (My medical holiday, 2013). Cohen (2008) added that medical tourism will benefit a range of tourism related businesses, such as hotels, spas, and restaurants. He pointed out that the reasons Thailand attracts medical tourists is that it offers high quality and readily accessible medical services at affordable rates, while enabling patients to combine treatment with vacationing. My medical holiday estimated a significant growth to 10 million visitors in the year 2015 as the total number of international medical tourists coming to Thailand.

Ali-Knight (2011) supported the view that a focus on specific tourist activities enables hospitality organizations to establish and position themselves as a niche market. The

medical tourism example illustrates the point that Thailand can be competitive by differentiating its tourism products and services and therefore compete locally and internationally (Sharpley & Telfer, 2002). Similarly, the government and TAT have promoted other niche products, such as community based tourism, ecotourism, wedding and honeymoon packages, golf tourism, and agri-tourism. One important implication of this focus on niche tourism is that it may be supported by niche accommodation offerings, both for the domestic and international market. The domestic component of this specialization is of central interest in this thesis.

1.6 The Rise of the Thai Middle Class

The emergence of the Thai middle class from 1980s to 1990s has shaped the development of the Thai economy (Funatsu & Kagoya, 2003). They observed that Thailand benefited from economic development in the 1990s which led to the emergence and expansion of a middle class who were socially coherent as well as culturally and intellectually homogeneous. The Thai middle class has been considered as one of the most influential issues in building the economy and their perspectives have had an important role in the process of political reform in Thailand (Girling, 1987; Ockey, 1999). Funatsu and Kagoya (2003) stated that characteristics of the Thai middle class are defined by economic, political and social forces. Phongpaichit and Benyaapikul (2012) supported the view that the Thai middle class adds value and has directed the country's economic and social development. In summary, the emergence of the Thai middle class is significant for Thai economic development, and that includes tourism development. The Thai middle class play this role both as consumers of tourism products and at times as developers of tourism businesses.

The Thai middle class was further characterized in a study of Funatsu and Kagoya (2003, p. 243) who asserted that the Thai middle class consists of homogeneous urban based elites and they are quite distinct from other people on the lower rungs of society's ladder. From their studies, they have also identified that this group has their home and work mostly in Bangkok, and typify the economic achievement of the country in their income and educational levels. Shiraishi (2004) suggested that the Thai middle class in Bangkok who were formerly classified as working middle class rose

from 310,000 in 1985 to 710,000 in 1994. Moreover, his study also showed that 61 percent of those Bangkok middle class earn more than 20,000 baht a month. It can be suggested that this process has continued strongly during the last 20 years.

With the improvement in prosperity in sections of Thailand, additional education and income have shaped peoples' life style, social activities, and beliefs about the environment (Shiraishi, 2004). The consequences of these life style changes have resulted in increasing consumption of luxury services and products. Hospitality goods and services can be seen as a pathway for the Thai middle class to express their life style, status, achievement and identity (Allen & Anderson, 1994). Cohen (1996) stated that most of the established facilities, such as hotels or exclusive clubs in the major destination regions have become available to and are increasingly used by the Thai middle class. Kaosa-ard et al. (2001) claimed that the certain sections of the industry, including hotels and restaurants, have begun to cater more to the taste of domestic tourists from the middle class. Importantly, the Thai government has attempted to sustain the economy by developing domestic tourism (Glanzberg, 1993; Kaosa-ard et al., 2001). If this trend continues, domestic middle class tourists will be one of the country's strengths for its future tourism industry.

1.7 Implications for Domestic Tourism

Nearly twenty years ago The National Identity office (1995) pointed out that the rapid growth of the Thai economy has resulted in more domestic tourists. Kaosa-ard et al. (2001) identified that the growth of the country's economy not only enhanced local income and produced domestic tourists but that these tourists sought some slightly different tourism products. The tourism master plan of TDRI (1997a, p.110) supported the important role of domestic tourists and noted that the number of in-country trips made by Thai tourists in 1996 totalled approximately 42.5 million. As a result, some sections of the tourism industry such as hotels and restaurants began to respond and cater to the taste of domestic tourists (Kaosa-ard et al, 2001).

Improvements in the infrastructure such as roads, water and electricity supply and telecommunication in each tourist region have been identified as building blocks for

increasing domestic tourism (TAT, 2004). Kaosa-ard et al. (2001, p. 113) highlighted the role of improved infrastructure and transport in increasing the purchase of “weekend homes in rural settings” in Khao Yai, Nakhon Ratchasima province, among Thai urban middle and upper class tourists. The expansion of the facilities along the eastern seaboard also stimulated the number of domestic tourists who travelled to tourist attractions along this coast of the Gulf of Thailand. Key locations here include Bangsaen beach, Pattaya beach and Rayong beach (Chancharat, 2011). Additionally, the establishment of the new airport in Bangkok has benefited domestic tourists who can connect via multiple regional flights to several destinations, such as Phuket Island, Samui Island, Chiangmai, and Maehongsorn.

One consequence of the increase in the number of Thai tourists has been the changes in the available accommodation. This topic is of central importance to this thesis. The improvement in the quality of the accommodation at tourist attractions has been considered as one of the significant stimuli for attracting Thai tourists. Okello, Wishitemi, and Lagat (2005) pointed out that the service facilities at the destination, when planned well, can strengthen tourism activities and become a reason for the tourist to visit. The Research Institute (2003) reported that domestic tourists were attracted to several attractions such as Kao Yai, Nakhon Ratchasima province, Pattaya, Chonburi province due to the improvement in core services in the hotels as well as in the restaurants, conference facilities, business centres and the design of hotel rooms. Frequency of travel of domestic tourists to the destinations has also been seen as dependent on accommodation, and the food, as well as the uniqueness of the location (Okello & Yerian, 2009). Kaosa-ard et al. (2001) added that Phuket, Prachaup Khirikhan, Chonburi and Rayong province were largely found to attract domestic tourists not only by their beautiful beaches but the quality of services in the hotels which can keep visitors coming back.

1.8 The Rise of Thai Domestic Hotels

Sagnarong (2009) has argued that domestic tourists are beginning to seek more involved experiences and this has fuelled the growth of domestic hotels. He added that there has been increasing and growing investment in boutique style resorts and hotels in Chiangmai and other provinces of Thailand in response to the additional requirements of domestic tourists. Further, Thai business (2007) reported that instead of being guests at traditional hotel chains, many domestic tourists are seeking new personal experiences from unique accommodation as well as distinctive activities from the surrounding destination and attractions. The shifting of domestic tourists toward domestic hotels could clearly shape the future development of the Thai hotel industry. If this trend keeps growing, there may be important revenue implications for the local economy and dramatic development in the Thai hotel industry. Nevertheless, there is limited evidence about the stakeholders' views of the present and future directions of this domestic hotels sector and some authors appear to make claims based on opinions rather than data. This tendency reinforces the need for an empirical research study of the stakeholders' views which is at the heart of this thesis.

Another driving force that shapes the rise of domestic hotels is centred on demographic issues (Freund de Klumbis & Munsters, 2005). In terms of demographic changes, the burgeoning, retiring population, particularly these from economically well developed countries, are expected to create impacts on leisure and travel choices (Choibamroong, 2005). Additionally, (Irwin, 2001, p. 2) pointed out that the changes in family structure, such as more childless couples, and couples with fewer children, have resulted in a variety of new travel patterns and preferences in choosing accommodation. Both the older well-travelled tourists and those in newer family structures or with small families are somewhat more likely to seek novel experiences from tourist attractions and accommodation (Holverson & Revaz, 2006). Additionally, the number of well-educated people has increased especially in the developing countries and thus education has created new respect for learning and cultural activities at the tourist attractions (Freund de Klumbis & Munsters, 2005). Arguably some domestic leisure and business tourists are tired of homogenous products and services especially from traditional accommodation (Dignan & Pomfret,

2005). Consequently, domestic hotels may be offering something new and unique for these tourist groups (Sendlinger, 2005a).

Clearly domestic hotels do not exist in a vacuum. There are many international hotel chains operating in Thailand and many major resort areas and properties. Several domestic hotels have put a lot of effort into strategies to meet the requirements of middle class domestic tourists and be competitive with international offerings. Henderson (2011) highlighted the improvement and importance of personalized service across these kinds of businesses to add value to the hospitality system. Sagnarong (2009) reported that several luxurious and boutique hotels have chosen to use the art of Thai culture in their hotel design rather than western styles in order to differentiate themselves from international chain hotels. Schiffman and Kanuk (1994) concluded that the improvements in customer satisfaction in domestic hotels were due to having consistently good service and adding product features. These options and forces will contribute to the overall development of the Thai hotel industry.

1.9 The Unknown Future of Domestic Hotels

The emergence of domestic hotels has been a growing part of the Thai tourism and hotel industry in the last two decades. Domestic hotels may continue to grow as long as the numbers of domestic tourists increase and seek diverse experiences. However, the trends influencing domestic hotels in the future are not all well documented and there may be several issues that can possibly hinder an expanding domestic hotel future. It is one of the tasks of this thesis to explore thoroughly the nature of these issues through the consumers' and owner/ operators' perspectives.

For example, the lack of available sites has affected the growth of the tourism sector (Pricewaterhouse, 2006). A good location is a part of the total purchases that customers expect to experience from domestic hotels. Guests tend to interact with a property and its environment (Boutique and Lifestyle Lodging Association, 2010). Henderson (2011) added that domestic hotels should seek to maintain and fit in with the destination where they are located. She provided an example of buildings or resorts with heritage and historical value which in fact are becoming increasingly

scarce as the demand for this limited kind of resources grows. Authenticity, which in this context can be briefly noted as being a local Thai style, is another requirement guests may now seek at most boutique hotels (Boutique and Lifestyle Lodging Association, 2010). Therefore, new domestic hotels may need to be careful when choosing locations to fit such concepts and meet the requirements of domestic hotel users.

The international hotel chains have been active in responding to tourism growth in Thailand. Major international chain hotels attracted to invest in the Thai hospitality market include Starwood Hotel & Resorts Worldwide. Standardized features of consortia characterize many of these hotels (Holiday Inn, Ramada) and they benefit from brand awareness, marketing collateral, sales team programs, and loyalty programs. They also attract domestic tourists and so any understanding of domestic hotels would be inadequate without some comparative questions and on how Thai domestic hotels compete with international chain hotels and can remain profitable in the future (Taylor, 1997).

The rise of international budget hotels may directly affect the future development of domestic hotels. Several international operations such as Best Western and Ibis have already introduced budget hotels into the Thai hotel industry. Budget hotels are attractive to Thai investors since they have support in terms of operation development and construction costs from parent companies. Moreover, constructing small scale budget hotels with modest sized rooms has considerable potential to generate revenue (Balejikan & Sarheim, 2011). Additionally, the service at budget hotels may still be good but different from both international chain hotels and Thai domestic hotels. Budget hotels, therefore, may affect the future growth and directions for Thai domestic hotels.

Another trend which can shape the future development of domestic hotels lies in the human resources sector. Pricewaterhouse (2006) noted that human resources can be regarded as another obstacle to the continued growth of hospitality organizations. Currently, some domestic hotel operators are facing difficulties in finding the right employees for their properties. Those who work in this industry need to be highly

service oriented people who can reliably and skillfully meet the requirements of guests. Consequently, recruiting the right employees may be a critical situation for domestic hotels in the future as the competitors can offer more benefits for qualified staff. With a high turnover rate, it might be difficult to deliver consistent services and products to guests.

1.10 Directions for the Research

In Thailand different forms of tourist lodging have emerged in response to changing markets and customer trends. Aggett (2007) proposed that contemporary customers tend to reject homogeneous products and seek uniqueness. The move towards product differentiation and segmentation is observed as being a consequence of the global spread of the standardized products and services (Adner, 2003). Horner and Swarbrooke (2005, p. 369) pointed out that the process of product and service differentiation has expanded the total number of customers. Meeting the changing needs of customer requirements has shaped the development of the hotel industry in Thailand and the opportunity to study this dynamic process continues as fresh challenges confront the present hotel operators.

As a result of the changing nature of global tourist accommodation in response to customer segments, a number of scholars have identified interesting topics for study. For instance, Goff (1991) identified the need to analyze the characteristics and guidelines of bed and breakfast properties. According to Goff, bed and breakfast businesses should offer full meal services, especially to the guests who are staying in the property. Pearce and Moscardo (1992) defined specialist accommodation facilities and reviewed the perspective of the guest in the development of the tourism and hotel industry. Their studies found that guests of specialist accommodation were different from traditional accommodation users based on a number of socio-demographic and travel trip characteristics. Teo and Chang (2009, p. 83) observed that the popularity of boutique hotels is a reaction to the prevalent homogeneous market of tourism and hospitality products and services. In all of these studies there are elements of interest for the present work on Thai domestic hotels, but none of these research findings can be easily applied to the different context of Thailand.

Many international hoteliers and investors see the opportunities of expanding their business throughout Thailand (TAT, 2004). Such international hotel chains as Accor, Sheraton, Hilton, Marriott, Crowne Plaza are expanding and building new resorts and hotels in Southern Thailand (Schneider, 2003). Consequently, for over a decade

Thailand has the third largest accommodation capacity in Asia with a total of more than 321,000 guestrooms in hotels and similar establishments.

The future of Thai domestic hotels lies in this mix of forces where there are large number of international hotels and contemporary movements toward building budget hotels. Research on Thai domestic hotels must to some extent consider the stakeholders' views toward these other types of accommodation. Not only are the Thai domestic hotels facing the challenges to upgrade their service quality to compete with the international chain hotels but the entire Thai hotel industry also has to compete with other countries. A decade ago, Vichit Na Ranong, Chairman of the Tourism Council of Thailand, expressed concerns over the intense competition among ASEAN countries to recover tourism losses in 2003 (Schneider, 2003).

Boutique hotels are an important part of this mix of competitors for Thai domestic hotels. These boutique hotels have become an established sub-category among the upscale and luxury segments, and are making headway into the Thai hospitality select-service segment (Tidichumernporn, 2009, p. 4). The rise of boutique hotels has emerged as a lodging alternative in response to change in consumer tastes and behaviour (Anhar, 2001). The increasing number of boutique hotels in major tourist destinations is an example of an upward quality trend in Thai tourism and hospitality industry (TAT, 2010). It is important to stress that some boutique hotels are Thai domestic hotels while others may be better described as internationally oriented boutique hotels serving an overseas market.

Despite the fact that Thai hotel industry has been developing over the last two decades, there are few published studies which have investigated the topics of interest central to this thesis. In many respects, evolution and change in the hotel industry is an overlooked issue in Thai tourism research. The existing hospitality tourism and hotel studies in Thailand have drawn substantial attention to international hotel chains with little emphasis on the development of Thai domestic hotels. Most of the opinions and research findings of Thai scholars have been directed towards the role of international hotel chains and their growth or alternatively they have focused on specialist accommodation (Pluemmanoo, 2010; Sagnarong, 2009).

The directions for the present thesis examine the rise and present situation of the Thai domestic hotels sector: that is accommodation which principally serves the domestic tourist. Specifically, it seeks to explore customer and owner/ managers' views of the domestic hotel in Thailand. This position is related to the statement by Foster (1992) that "the past, present, and, perhaps, the future of the hospitality industry are closely linked". Therefore, this research will trace the development of domestic hotels in Thailand for the last 50 years by documenting their origins and determining the issues influencing transitions and changes. In addition to the review of historical forces, a contemporary assessment of stakeholders' views of the domestic hotel will be undertaken, followed by an assessment of future prospects.

The contribution of this thesis will lie in considering a topic which has not been studied previously in Thailand, and beyond that, the work may provide a model for understanding "within a sector" development in Asian tourism.

This thesis is divided into three parts. First, it traces the development of domestic hotels in Thailand for the last 50 years by exploring the growth of Thai hotel industry. The study documents and analyses the influential issues that stimulated the development of domestic hotels from 1962 to 2012. The study contributes to an existing gap in hospitality by expanding the boundaries of hospitality knowledge in particular into localised hotel development. Second, the study documents the state of domestic hotels by assessing the prevailing issues for the sector by assessing how key stakeholders' view the current development of domestic hotels. A third component of the work offers some stakeholder perspectives on the likely future development of domestic hotels.

In order to prepare for these studies, the next chapter of this thesis considers some key conceptual ideas and theoretical approaches in tourism and hospitality studies relevant to the topic of understanding domestic hotels in Thailand. Additionally, the next section of this thesis reviews some of the issues surrounding key methods which are available for use in this kind of research field.

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2.1 Introduction

The purpose of this chapter is to review the concepts and methodologies to be used in the studies of this thesis. The concepts in this research include ideas underlying the treatment of stakeholders and their views, as well as concepts in customer satisfaction and research time-line studies. The chapter also considers the implementation of methodological approaches included archival, interview and survey studies. Finally, the overall purposes and aims of the study are clarified and presented as the definitive organizing features of this research.

2.2 Concepts Informing the Research

2.2.1 Stakeholders and their views

The term stakeholder has been defined in several disciplines and multiple scholars have provided an explanation of the term. The stakeholder theory, pioneered by Freeman (1984) proposed that any group or individual who can affect or is affected by the activities of an organization should be seen as a stakeholder. Jamal and Get (1995) defined stakeholder as embracing all people influencing and affected by the development. The term 'stakeholder' has also been broadly described as including individuals or groups related to the activities of or influenced by a corporation (Harrison, 2003). Arizona Board of Regents (2002) noted that a stakeholder can be a person or group who tend to influence the outcome of a project or affected by a policy. Donaldson and Preston (1995, p. 67) noted that stakeholders are referred to as "person or groups with legitimate interests in procedural and substantive aspects of corporate activity. Stakeholders are identified by their interest in the corporation whether or not it has responded to their requirement". Freeman (1984, p. 46) concluded that to be an effective strategist, the company must deal with the internal and external groups that tend to affect its performance.

The term stakeholder clearly evolved as a part of the literature on business development. Harrison (2003) noted that business managers and international

developers have embraced the theory of the stakeholder into their practice. Consequently, Price (2004) stated that the well-known business developers include such groups as, owners, employees, suppliers and customers. As such, effective management has paid attention to stakeholders from both internal and external organization (Donaldson & Preston, 1995). Clarkson (1995) cautioned that if the organizations failed to engage with the stakeholders within internal and outside the business. Underachievement will follow. One of the key concepts of stakeholder management introduced by Freeman (1984) is that the business planner is required to have a full appreciation of all the persons or groups who have interests in the planning of business performance.

Stakeholder theory has also appeared in the tourism sector. For example, a planning and management action in tourism development is to apply stakeholder theory (Jamal & Get, 1995; Medeiros de Araujo & Bramwell, 2002; Sautter & Leisen, 1999; Yuksel, Bramwell, & Yuksel, 1999). Clarkson (1995) supported the view that stakeholders have been widely considered in societal analysis and in the political implications of tourism. Sheehan and Ritchie (2005) applied stakeholder theory to assess destination stakeholders from the perspective of the destination marketing organization (DMO). Sheehan and Ritchie (2005, p. 716) added that in fulfilling the traditional role of destination marketing, many tourism suppliers (local firms) and outside buyers (typically meeting planners, tour companies, and individual tourists) should recognize stakeholders as the voice of the tourism industry in their communities. Bramwell and Lane (1999) noted in reviewing tourist organizations that the nature of the tourism industry which can be small or large with fragmented markets and spatial separation, particularly needs widespread stakeholders involvement to combine actions and achieve interrelated goals.

Stakeholder concepts are also of importance to specific hospitality and tourism businesses. The development of a sustainable tourism business requires the involvement of many groups of people, partners, and the collaboration among diverse personnel (Timur & Getz, 2009, p. 446). They added that the stakeholder framework allows a wide range of actors to be considered and blended into hospitality and tourism policy and has significant benefits for sustainability. Logsdon (1991)

highlighted the importance of stakeholder theory since it encourages a group of people who have an interest in the same goal to collaborate among themselves in solving the problem. Sheehan and Ritchie (2005) reported that the consequence of these relationships may result in creating a new approach to the strategic management of tourism activities. They added that understanding stakeholders in tourism business enables businesses to incorporate a best case scenario into actual management practices to develop the organization. Viken, Cole, and Sletvold (1999) also concluded that a stakeholder approach will be an appropriate model to analyze the development of the hospitality and tourism business. This suggestion is of particular relevance to the development of the research approach and agenda for this thesis where the issues influencing Thai domestic hotels growth are being considered.

In terms of selecting the relevant stakeholders, tourism organizations must consider which types of stakeholders will be selected as particularly important (Sautter & Leisen, 1999). They proposed that the selected stakeholders must be clearly affected by the actions or the policies of the tourism organizations. There are several important stakeholders in the tourism business, such as government officials, hotel owners, tour operators, tour guides, transportation providers, tourists themselves and representatives from other related businesses (Neto, 2002; Pro-Poor Tourism Partnership, 2004). Additionally, different stakeholders may have several characteristics which may affect the development of tourism sector (Yuksel et al., 1999, p. 352). Sautter and Leisen (1999) pointed out that it is important to pay attention to the perspectives of different stakeholders with regard to the particular development. Therefore, in selecting the relevant stakeholder, Freeman (1984, p. 316) suggested that an effective tourism and hospitality organization must understand three key concepts: identification of the stakeholders and their respective perceived stakes, the necessary process to manage the relationships of stakeholders, and management of a set of transactions or negotiations among the stakeholders within the organization.

The thesis framework has selected the stakeholder approach to investigate the perspective of key people and groups shaping the current situation and the future development of Thai domestic hotels. Viken et al. (1999) supported the view that stakeholder theory can be linked to such issues as research as well as in development.

The analysis of the views of these stakeholders can be descriptive or empirical and can consider the essential issues that influence the development of tourism and hospitality organizations (Donaldson & Preston, 1995).

2.2.2 Customer satisfaction

As the customer requirements for products and service have evolved, the concept of customer satisfaction has become more sophisticated in recent years. A basic understanding of customer satisfaction can initially be discussed. Westbrook (1990) defined customer satisfaction as a “global evaluative judgment about product usage/consumption. Parasuraman, Valarie, Zeithaml, and Berry (1985) perceived customer satisfaction as a cumulative evaluation and a consequence of perceived service quality. Vavra (1997) considered customer satisfaction not only post purchase experience but emphasized on cause satisfaction, the antecedents to satisfaction which occur during service delivery process outcome definition of customer satisfaction characterizes satisfaction as the end-state resulting from the experience consumption. Vavra added that this attitude may be a state of mind, within an emotional component which considers the cost to the participant. Spreng, Mackenzie, and Olshavsky (1996) defined customer satisfaction as an emotional response derived from a consumption experience. Customer satisfaction has also been defined as individual’s cognitive-affective state derived from a consumer experience (Bosque & Martin, 2008).

Elements of the marketing mix can be applied to study customer satisfaction. Bitner (1990) suggested that consumers perceive the tangible elements of what they are about to experience rather than the intangible components. A clear example of this emphasis is provided by Zikmund and D'Amico (2001) who noted that product image and package are regarded as items of appeal used to promote to the customer. Levy and Weitz (2009) observed that place and physical surroundings also increased customer experience and satisfaction. They also suggested that the place itself in terms of design, appearance, and image all increase the customer experience. Additionally, price and promotion can be implemented to attract consumers and stimulate the evaluation process. Price and promotion are often used to attract customers, and

affordability in conjunction with quality contributes to customers' experience of service value (Cronin, Brady, & Hult, 2000; Schiffman & Kanuk, 2004; Zikmund & D'Amico, 2001). These marketing elements address features which are seen as influencing, and in part, defining satisfaction.

At a more macro level, customer satisfaction is a key factor that determines the success of organizations. Chotipanich (2004) pointed out that the success of the company is largely about retention of customers, which in turn depends on the level of customer satisfaction. It has been reported that a higher level of customer satisfaction can lead to more positive word of mouth recommendations and consequently reduce customer acquisition costs (Parasuraman, Zeithaml, & Berry, 1988). Zairi (2000) noted that a key for being successful in the business world is the retention of satisfied customers. Additionally, Lepkova and Jefimoviene (2012) pointed out that the success of the organization not only depends on customer satisfaction but this outcome may be the key to competitive advantage. In order to use customer satisfaction as a strategy, the particular organizations need to produce good products and service to sustain high levels of customer satisfaction, offer excellent customer value, and ensure relentless attention (Lepkova & Jefimoviene, 2012; Zairi, 2000). As a result, the organization should meet the challenge of producing and maintaining high levels of services and products.

There are several researchers who have applied customer satisfaction concepts in their hotel and service. Chandon, Morwitz, and Reinartz (2005) applied customer satisfaction in online retailing to explore the way service quality was perceived by online customers. Du, Diaz, and Ruizc (2003) explored customer satisfaction in supermarkets by identifying critical service experiences. Customer satisfaction in this context was based on the perception of the effects of atmospheric music, behaviour and costs (Areni, 2003). Reynoldes and Beauty (1999) employed customer satisfaction concepts to study whether or not the interaction between customer and salespersons contributed to a pleasant shopping experience, especially during the final stages of decision making to buy a product. The effect of the brand name, appearance and the functionality of the product were studied by Del Rio, Vaquez, and Iglesias (2001) to see whether or not they enhanced customer satisfaction. The proposals were supported

by the results of empirical research by Bloemer, De Ruyter K., and Peeters (1998) who confirmed that the image of the product influenced customer satisfaction and led to customer loyalty in the context of retailing business.

In the growth of the tourism and hospitality sector, it is very challenging for tourism organizations to maintain customer satisfaction in practice. Okello and Yerian (2009) identified the point that tourism can be a challenging industry to sustain customer satisfaction due its volatile nature and wide range of external influences. This is particularly true for service firms seeking both customer satisfaction and maximum profits (Pullman & Gross, 2004; Reichheld & Sasser, 1990). The tension lies in the need to control costs which may reduce the amenities and the quality and professionalism of staff. This issue is of some importance in the Thai domestic sectors. Woodruff, Cadotte, and Jenkins (1983) added that the future tourism organizations will not only focus on customer experience by offering high quality products and services but tend to use customer satisfaction as a strategy to gain competitive advantage over competitors (Jun, Yang, & Kim, 2004; Woodruff et al., 1983; Yang & Peterson, 2004; Zairi, 2000).

The concept of customer satisfaction has also been developing in the Thai hotel industry following the growth of international chain hotels and resorts. This development has challenged Thai domestic hotels in terms of infrastructure levels, service quality and resulting customer satisfaction. Consequently, TAT has promoted several programs to motivate Thai domestic hotel operators to incorporate customer satisfaction concepts into their operation and management. Narangajavana (2007) provided several good examples of customer satisfaction programs that have been used to improve service quality and customer experience. These programs have included the Thailand Tourism Award, the Green Leaves Award, and the Thailand hotels standard.

Building on these foundation ideas, this thesis investigates the perspective of Thai domestic hotel guests toward the current and future development of Thai domestic hotels. In order to understand their perspectives, it is necessary to employ concepts of customer satisfaction to study their expectations in terms of products and service. A

better understanding of their perspectives and expectations toward Thai domestic hotels may be helpful in contribution to the development of the Thai hotel industry.

2.2.3 Time-line studies

The time-line studies are regarded as an important aspect of this research since the work tracks the development of the Thai domestic hotel. A time-line approach in research varies depending on the theme of the study (Barnes, 1962; Burke, 1991; Collingwood, 1959; Evans, 2002; Kanjanaphan, 2000; Meyerhoff, 1959). Typically, a time-line study enables researchers to identify a significant issue and discuss its general characteristics within a particular period. It provides a specific approach to frame the research work (Dymond, 1982). The time-line also defines the scope of research or periods of time in which the particular documents were written (Val, 1961).

The usefulness of a time-line approach has been advanced as a substantial research strategy. Events and their dates are arranged visually to indicate change the reader. Research on the use and the development of time-lines incorporates both instruction and evaluation components of any historical story (Davis, 1966). He added that time-lines can be used to reinforce the message presented in the textual narrative when they abstract points from the verbal material and display themselves in the printed text. Dymond (1982) also stated that time-line approaches have been considered by researchers as useful to present information and accompany textual messages. Dymond (1982) noted that time-lines enable researcher to not only be aware of the uniqueness of events but they can portray the view that each period has a specific character with its own characteristics of historical concern. In essence, in relation to determining the time-line for the research, the important issues of place, time, theme, and key stakeholders, need to be identified.

The time-line of this study is divided into three periods which included the past (1962-2012), the present (2012-2014) and the future (next 5 to 10 years). As a result, the study of the development of Thai domestic hotels during these periods is potentially able to understand the deeper implications of how the development of The Thai hotel

and the tourism industry has been shaped by issues of privilege, challenge and cooperation.

2.2.4 The studies of the past

A review of historical research styles is important in this study as it represents a pathway to study the trajectories of development of Thai domestic hotels. In examining the tourism development in the past, it is essential to define a specific historical stage (Chatkaewnapanon, 2011, p. 29). Therefore, the first part of this thesis employs the historical approach to identify issues that influence the development of the Thai domestic hotels from 1962 to 2012. This period effectively builds on the initial stimulus to Thai tourism from outside the country and tracks the changes until the data collection points employed in this thesis in 2012.

2.2.5 Historical research concepts

Historical research has been conceptualized as a systematic and objective evaluation of evidence in order to establish facts and draw conclusion about past events (Borg, 1963). It can be seen an act of reconstruction undertaken in a spirit of critical enquiry designed to achieve faithful representation of a previous age. Historical research involves the study and analysis of data about past events (Barnes, 1962; McCulloch, 2004; Thomassen, 2001; Ventressca & Mohr, 2002). The goal of historical research enables researchers to explore the past, with the potential to understand the present and to predict the future. Schwartz (1997) added that the future cannot be understood without reference to what has gone before or of how relevant parties understand and construct their versions of the past.

Additionally, historical discourses also represent issues or events that have had significant influence leading to substantial changes in societies (McCulloch, 2004; Phongachit & Baker, 1995; Scott, 1990; Walton, 2009). In the period of contemporary tourism development being considered in this thesis there have been very substantial changes in tourism in Thailand. In terms of historical discourse, the significance of the past including any studies of tourism and the provision of

accommodations flows on to the present and ultimately is a part of and contributes to the wider picture of a national history (Chatkaewnapanon, 2011; Dymond, 1982; Evans, 2002; Hongsaranagon, 2008; Towner & Wall, 1991). In summary it can be suggested that historical research can provide significant information about the impact of the past on present and future events (Hongsaranagon, 2008; Towner & Wall, 1991).

2.2.5.1 Historical approaches and tourism research

Within the process of accommodation evolution in Thailand and its implications for the tourism industry, the historical approach can be considered to be a tool to explore the intersection of culture, society, economy and the environment (Chatkaewnapanon, 2011; McCulloch, 2004). It has been noted that most tourism scholars generally employ a brief historical approach to highlight tourism activities as a preface to other studies. For example, the history of tourism attractions has provided insights for future development (Faulkner, 2001; Pearce, Benckendorff, & Johndyornr, 2001; Prideaux, 2000; Walton, 2009). Walton (2005) has commented that historical studies with a focus on tourism provide an in-depth understanding of many changes associated with development. The pursuit of a carefully documented historical review of Thai domestic hotels and their evolution in the context of national tourism will seek to achieve these diverse goals.

2.2.5.2 Processes defining historical research

The historical approach as a process is flexible and seeks to explore how past activities and events were related in terms of their meanings and values. The approach has a dual and unique quality and can be useful for all sorts of scholarly study and research (Borg, 1963; Gaillet, 2012; Scott, 1990). Before conducting historical research in the tourism field, noted that a clear understanding of the historical research process is essential. In the process of conducting research the investigator should never be satisfied with copies or summaries of documents that can be obtained in original form. Relatively insignificant errors in reproduction process may, through

additive or multiplicative effects, produce a resultant error of comparatively great magnitude in the final form of the data.

2.2.5.3 Applied processes and historical approaches in tourism research

This study employed steps followed by Cohen et al (2007, p.193) to collect the information for the study of the development of Thai domestic hotels in the past. The historical process can be described as following;

1. Defining a topic
2. Undertaking background reading for historical content
3. Narrowing the topic from a general to specific topic of interest
4. Gathering and recording information by using both primary and secondary sources
5. Analysing and interpreting sources by identifying patterns among sources and using timelines to establish context and the significance of the topic
6. Developing a “thesis” or position statement to ensure that research and writing explains the rich significance of the topic

Additionally, the historical research process demands procedures to verify the accuracy of the data collection in order to establish the direction of cause-and effect relationships. The verification of historical data is usually seen as linked to two process; first, the authenticity of the source is appraised, second, the accuracy or worth of the data is evaluated (Cohen et al, 2007, p.194). Plummer (1983) and Wesley (2009) supported the view of the researcher that the verification process enables researchers to use data with minimal bias. A second issue of particular interest, and a challenge for researcher dealing with much material not available through digital technologies, lies in being thorough in finding a detailed set of comprehensive items. This represents a special challenge in the present work where materials written in Thai about domestic hotels are only available in original form in the country’s universities and public libraries.

2.2.6 The present studies

The second part of the thesis, the focus will be on the perspective of two key stakeholder groups: guests and managers/ owners. The conceptualization of this study is based on obtaining data through in-depth interviews and surveys. The overall trajectory of the studies about the present will be built on an understanding of the past and then used to consider perspectives on the current development of Thai domestic hotels. These perspectives provide the research items and allow the researcher to explore similarities and differences among key stakeholders. The issues that influence the current development of Thai domestic hotels will be re-deployed for the investigation of the future development of the Thai domestic hotel. The results of the link between the development of Thai domestic hotels in the past and the current development will be constructed to study the future development of Thai domestic hotels

2.2.7 The future studies

This section reviews the topic of future tourism research and explores the major issues and their application to the study of the Thai domestic hotels. Special attention is paid to methodological approaches and work that considers the link between the past, the present and the future.

2.2.7.1 Future studies concepts

The future has always fascinated us and converts the territory of envisioning and creating new opportunities (Yeoman, Rebecca, Mars & Wouters, 2013). The study of the future has attempted to predict what is coming next based on exploration from past and present trends (Inayatullah, 2002). Wu (2012, p.32) noted that trends, forecasts, and ideas about the future stimulate an awareness of opportunities and, further, direct action to seize these opportunities. Blackman, Foster, Hyvonen, Kuilboer, and Moscardo (2004) also stated that future studies are useful to inform and manage the process of prediction. The future is an area where change can not only be forecasted but also chosen based on the past and the present (Masini & Vasquez, 2000). Such

studies provide information and are fundamental for dealing with unpredictable situations. Yeoman, Lennon, and Black (2005) argued that future studies are about collecting and trying new things and how to respond to constant change. Future studies are not only helpful at the individual level, but also at the national and international level (Wu, 2012, p. 33). At the national level, they can provide a necessary strategy and direction for solving particular issues (Wu, 2012). As a result, it is worth using future studies to examine the values, behaviours, thoughts and trends which relate to many areas of human activity, including tourism and hotel development.

2.2.7.2 The future studies and tourism research

Since the identification of future trends and the anticipation of market changes are key issues for tourism and hospitality, taking advantage of forecasting the future is a way to prepare new products and services. In the strategic management tourism literature, future studies have been identified as a method to prepare the tourism organizations for the uncertainties that they may face in the future (Goodwin & Wright; Lindgren & Bandhold; Porter, 1980; Ringland, 1998; Schwartz & Ogilvy, 1998; Van, 2001; Yeoman, Moriarty, & Davis, 2010). (Goodwin & Wright, 2004; Lindgren & Bandhold, 2009; Porter, 1980; Ringland, 1998; Schwartz & Ogilvy, 1998; Shoemaker, 1998; Van, 2001). Schwartz (1998) observed that the future studies in tourism aim to develop a range of possible alternative futures based on likely change variables. Sendlinger (2005a) proposed that organisations will be better prepared for the future if they incorporate future studies into their strategic planning process.

Traditional tourism forecasts focus on predicting the number of arrivals of tourists in a particular location as a result of the economy and time based data (Burger, Horita, Kinoshita, Roberts, & Vera, 1997; Chu, 1998; Kim & Ngo, 2001; Turner & Witt, 2001). There are some limitations to these approaches, not only in complex statistical arguments about methodology, but also because the work is restricted to incremental change along the existing lines of development. However, in order to prepare for the future development, hospitality and tourism organizations need to understand not only the number of the tourists but also the changing requirements of tourists in terms of

products and services. Although the more expansive scenario-based future studies have been used by traditional tourism and hospitality organizations, the applications in tourism are comparatively limited. This thesis proposes using select future scenario ideas to examine the role of Thai domestic hotels in the coming years.

2.2.7.3 The future studies and related methods

Scholars from several disciplines, including science, the humanities and the social science area have all developed a variety of future study methods. The three most common methods that are frequently used by scholars included the Delphi approach, forecasting techniques and scenario techniques. Schwarz (2008) observed that there are also other future study methods such as simulation, strategic early warning, and brainstorming. As the present thesis investigates the perspectives of key stakeholders across a period of time and change, it is valuable to employ a scenario approach because it is a focussed and concentrated way of foreseeing the future and clarifying uncertainties about the past and the current situation (Coates, 2000; Heijden, 2000; Wilson, 2000). Additionally, scenario planning has the advantage of incorporating a sense of vision into future development studies (Wu, 2012).

2.2.8 Concept of scenario planning

The argument for using scenario planning as a research tool relates to its widespread acceptability and a confidence in its findings (Godet, 2000). Coates (2000, p. 115) has identified some specific characteristic of scenarios, observing that they provide:

1. An outline of the plot of the dramatic work, providing particulars of the scenes and characters
2. The outline or sometimes the complete script of a development (such as a motion picture or a television program)
3. An imagined sequence of events, especially embracing several detailed plans or possibilities

Consequently, the concept can be linked to the perspective of Chermack (2004) who suggested that scenarios can be regarded as a narrative story of the future which

outline several paths. Wu (2012) also noted that scenarios are stories regarding possible alternative futures, and are good at incorporating human diversity. Scenarios can be a vivid picture of the possible future that tend to minimize the future risk and seize the opportunities (Yeoman, 2012). In this same line of thinking and with similar supporting comments, Schwartz (1997) stated that scenarios construct multiple stories that encompass a variety of plausible options. Overall the approach reveals and enlarges the ways key stakeholders can respond to the future (Chermack, 2004; Wilson, 2000).

2.2.8.1 The implementation of scenarios in tourism studies

There are several reasons for using scenarios in tourism studies. Scenario studies enable researchers to work in some novel tourism areas and assess understudied topics (Yeoman, Rebecca, Mars & Wouters, 2013). Indeed, scenarios have been beneficial in creating mind-sets where tourism organizations not only prepare for one official future but prepare to respond to a range of futures. The scenario approach can serve the multidisciplinary characteristics of tourism and draw on different experiences (Heijden, 2000; Masini & Vasquez, 2000). Scenarios have also been described as highlighting different aspects of tourism and are seen as valuable in identifying gaps to understand complex situations (Chermack, 2004). In contemporary tourism, scenarios are considered to be a particularly appropriate method for developing countries or international organisations focussing on future development (Masini & Vasquez, 2000).

Lindgren and Bandhold (2009) have stated that there are four benefits for researchers in using scenarios for planning. First, the approach offers a means to communicate more effectively by providing and sharing a structured framework. Second, it enables researchers to reduce the complexity of the planning process and selected from many divergent options. Third, the narrative thinking used in scenarios matches the way some strategies work. Finally, the approach also connects the existing strategies to the unknown future situation. The scenarios must challenge the minds of the related stakeholders and be innovative beyond the established framework of everyday “business as usual” thinking.

This research employs scenario planning to explore stakeholders' perspective about the future development of Thai domestic hotels. The scenarios used will seek to elicit and prompt the thinking of stakeholders through in-depth interviews and survey questions. The researcher will synthesize these responses in order to identify influential issues that are seen as shaping the development of Thai domestic hotels in the future.

2.3 Research Methods Relevant to the Thesis Studies

One of the key steps in any research is the choice of a research methodology. Research methodology consists of a theoretical and conceptual framework that enables researchers to clarify what strategies might be useful for collecting and organizing as well as analysing relevant data to address the research. Altinay and Paraskevas (2008) pointed that the whole research process requires researchers to formulate questions and plan ways to answer these queries. Good research methodology includes a creative process, an awareness of the body of knowledge and is a guide to conduct the research (Finn, Elliott-White, & Walton, 2000). Altinay and Paraskevas (2008) claimed that a research methodology requires a higher order of thinking skills than simply conducting a research study.

Research methods can be seen as universal and several tourism scholars have developed various tools for their own studies and practices. For example, Cohen (1982) employed a quantitative survey to determine whether or not youth tourists have been affected by the development of bungalows on the islands of Southern Thailand. Morrison, Pearce, Moscardo, Nadkarni, and O'Leary (1996) considered specialist accommodation and examined archival data collected from the U.S pleasure travel market in 1990. Chatkaewnapanon (2011) applied archival analysis to study change and adaptation of locals in Samui Island over time. Tidichumernporn (2009) implemented both quantitative and qualitative approaches to study life style segmentation for boutique accommodation in Thailand in relation to the service quality and customer satisfaction. Altinay and Paraskevas (2008) have pointed that quantitative approaches can be a product of different strategies, but mainly come from

survey and experiments. Slattery and Geisler (2007) considered that quantitative methods present a manageable selection of statistical material relating to social science issues. He added that quantitative research not only analyses quantitative data and provide measureable outcome but is useful to develop and test theories.

On the other hand, there has been considerable qualitative research used to provide in-depth meaning, especially when assessing respondents' feelings, attitudes, values, perceptions and motivations (Bryman, 2004). This is because the qualitative research provides a viable alternative solution to the research problem (Walle, 1997). Mitchell and Eagles (2001) claimed that qualitative approaches not only enable researchers to conduct interviews and observe the participants but also provide considerable insights. This research has employed a mix of methodological approaches for data collection because it has required the researcher to combine archival statistical and experiential data across the time-phases of the thesis topics (Maxwell, 2005).

This brief overview of qualitative and quantitative approaches supports the view of combining these levels of appraisals in the present Thesis. An archival approach will initially be undertaken as a main approach to study the development of Thai domestic hotels in the past. The historical work can be described as fitting into a constructivist paradigm where there are many non-determinants views of the narratives of development. The research method here is qualitative with limited counting and scoring of themes. The major tool is that of classification and thematic sorting. The other studies in this Thesis fit a post-positivist framework seeking to provide clear well documented structured accents from a survey and interview base and informed by statistical tools. The results of the archival analysis will be linked to the content of the interviews and survey in subsequent time period studies.

The following section will review the tools of archival analysis, questionnaire design and use, and interview studies as the research tools in the thesis. The applications of these techniques will be considered and the ways the approaches will be used to investigate the development of domestic hotels in Thailand will be outlined.

2.3.1 Archival approaches

2.3.1.2 Scope and definition

One of the special techniques that is widely used in the tourism development field is that of archival approach. Archive is an accumulation of historical records, or the physical place they are located (Ventressca & Mohr, 2002). Gaillet (2012) noted that archives contain primary source for accumulating the life time span of individual, organization, communities and culture and also are kept to show the function of person or organization. Gaillet (2012, p.4) also viewed archives as primary sources for creating knowledge rather than mere storehouses for finding what is already known. Archives allow one to study people from earlier times in history as well as behaviour and attitudes across long time spans (Brereton & Cinthia, 2011). Thomassen (2001) pointed out that archives enable researcher to record and extract evidence from original source material. Archival materials provide unobtrusive measures of process for the study of contemporary organizations and invaluable means of access in historical investigations (Covaleski & Dirsmith, 1988a). The National records and archive administration (2009) highlighted the important roles of archives in recording the past events and issues that have value for scholars in the present.

Interestingly, archival records are often unique, and the researcher must be prepared to travel to reach them. Since the materials in archives are unique and most of them are kept for future researcher, each archive has specific guideline for how people may access to protect the materials from physical damage and theft (Covaleski & Dirsmith, 1988; Schmidt, 2011). Some archival documents are hosted online but many more are not and some records lack any kind of “discovery” aid at all. Some records may be closed to public access for reasons of confidentiality and others may be hand written, in ancient or foreign languages, or in technical terminology. These records may be placed in either institutional or archive repositories, or kept in the state and private organizations or other agencies that originally generated or accumulated them (Schmidt, 2011).

Additionally, archival research lies at the heart of original historical research. It is important in other disciplines, such as humanities, social sciences, archaeology, sociology, human geography, anthropology, and psychology. In conducting the research, some scholars have characterized the scope of and defined archival approach to meet their own concepts and knowledge. For the social scientist, Scott (1990) explained that archival research can be understood as locating, evaluating, and interpreting systematically all sources found in archives. In science, archives may preserve physical entities through forms of collections (Thomassen, 2001). In its most classic sense for business development, Ventressca and Mohr (2002) stated that the archival method involves the study or investigation of historical or non-historical documents and texts and can be a tool to supplement other research strategies for organizational development. The Harvard Business School case studies often use archival documents, and archival research approaches to complete the narrative portraying a particular business or organization (Mark & Shotland, 1987).

Therefore, archival studies are clearly involved in interpreting of past events from different sources and record materials. They can capture uniqueness within different people's interests (Barnes, 1962; Burke, 1991; Collingwood, 1959; Evans, 2002; Meyerhoff, 1959). These claims suggest that the archival approach can provide an appropriate process for the study of historical, contemporary and future links (Covaleski & Dirsmith, 1988a).

2.3.1.3 Archival resources and materials

As the study is concerned with the development of Thai domestic hotels, primary research data are viewed to be one of the archival materials in this study. Primary research data are created by the investigator during the research process, and include transcripts, tapes of interviews, field notes, personal diaries, observations, unpublished manuscripts, and notes associated with interviews. Primary data might contain official sources such as government papers, organizational records, medical records, personal collections, and other contextual materials (Corti, 2004). Schmidt (2011) stated that letters, photographs, diaries and manuscript are examples of primary research data. Manoff (2004) added that archival materials for primary research can be unique or

rare items meaningful to particular community. Primary research can apply to examine a wide range of materials and texts at the heart of archival investigation and leads to a more inclusionary conception of revisionist and recovery research methods (Gaillet, 2012, p. 46). Archivists strategically applied primary research to provide a basis for defining key questions established for learning about the past events (Ventressca & Mohr, 2002; Zald, 1993).

On the other hand, secondary research data can also be regarded as archival materials (Bailey, 1994). Corti (2004) observed that common sources of secondary data for contemporary study include censuses, organisational records and data collected through qualitative methodologies. Archives can hold both published and unpublished materials, and those materials can be in any format (Schmidt, 2011). The existing data allows scholars to gain a sense of perspective of how shifting social and historical condition affect the character of organization life (Kieser, 1989, 1994). Secondary research include a broad range of activities applied to facilitate the investigation of documents and textual materials produced by organizations (Ventressca & Mohr, 2002). As a result, using both primary and secondary research enables researchers to examine a wide range of materials and leads to a more inclusive approach.

Additionally, digital archival materials can be considered to be secondary data. Digital archival materials contain electronic databases, emails, and web pages. The digital archives term may apply to everything currently existing in digital format or may only refer to some small subset of data, typically collected or based on electronic documents. These digital archives enable researchers to view the interpretations, the assumptions, the actions taken and defined from a range of differing points of view (Mittra & Cohen, 1999). The examples of archival repositories which have collected the information into digital format are national libraries, museum, colleges and both university libraries and government libraries.

As this research is concerned with the dynamics of the development of the Thai domestic hotels in the past, documentary research will be one of the significant archival materials used in the study. The use of documentary research involves working with existing data collected for the purposes of the studies (Heaton, 1998).

This research can be used to formulate a conceptual or theoretical framework within which to locate data analysis (Ahmed, 2009). Nevertheless, it can be suggested that when little is known about a topic, the comprehensive use of documentary analysis may be a worthwhile exercise in its own right.

2.3.1.4 Handling documentary sources

Since the archival materials of this study are related to the documentary research, assessing the quality of data can be considered to be a key research process. Irwin and Winterton (2011) provided an overview of the handling of documents that can be applied. He noted the importance of classifying documents according to research questions and carefully recording how they were collected and in what specific archive stores. Scott (1990) formulated quality criteria for handling documentary sources. These are authenticity, credibility, representativeness and meaning. These points are developed by Scott (1990) and assist in handling documentary sources procedures that are applied in this study.

Authenticity refers to whether the document is genuine and comes from a reliable and dependable origin (Mogalakwe, 2006). Platt (1981) noted that having established the authenticity, the researcher should verify the name of the author and whether or not the material is related to the research questions. Mokalakwe (2006) reported that it is a responsibility of researcher to ensure that the document consulted is genuine and has integrity. This is in the same way that the researcher must be sure of the identity of the archival materials being studied whether they can prove the origin and related to the topic of research. In terms of official documents or annual reports from government, they must be authorised or approval by a minister or related group of people to verify the genuine of the document. It might seem unlikely that organizations would keep false or misleading documents, but the possibility exists that some materials are really only drafts or early versions of later work. It would therefore be problematic to rely on these partially informative materials (Scott, 1990).

Credibility is also applied to this research procedure. Credibility refers to whether the document is independent and free from distortion (Prior, 2003; Scott, 1990). Prior (2003) added that credibility also emphasised the point as to whether or not reliable people recorded, interpreted, and translated the data. Scott (1990) claimed that the credibility should focus on the extent to which an observer is sincere in the choice of a point of view and in the attempt to record and construct accurate accounts from a clear chosen standpoint. Mokalakwe (2006) supported that the chosen documents should not produce for benefit or researcher but based on the fact that they must stand for fact or judged by respondents. This point also applies to views expressed in documentary sources. With regard to these reliable sources for the hotel sector and those who record the information, it is relatively easy to establish the credibility to the documentary research. The larger concern of the accuracy and credibility of versions of events and the transcribing of material is a long running issue in documentary record, such as in considering religious texts.

Representativeness also applies to documentary research than to others (Ahmed, 2010, p. 4). Rapley (2007) explained that representativeness refers to whether the researcher can consult the totality of the relevant documents. Ahmed (2009) and Flick (2009) reported that representativeness can be seen as referring to whether the evidence is typical of its kind, or if it is not, whether the extent of its lack of representativeness is known. Documents, such as domestic and international tourist reports, were prepared by the Tourism Authority of Thailand which enable researcher to connect the historical and current event of the development of the hotel industry. This is clear from methodology section of the study. The fact that most of the findings tend to testify to representative and authenticity of document.

Meaning refers to whether the evidence is clear and comprehensible (Ahmed, 2010, p. 5). Scott (1990, p. 28) pointed out that the ultimate test of meaning is to understand what the document contains for any particular research purpose. Ahmed (2010) reported that all documents contain face or literal value meaning. Another important point of meaning which can be considered is the truth of the factual information (Platt, 1981). For example, information on the growth of both domestic and international tourists in Thailand is given quantitative attention in this research. But when these

data are presented in the political world, they may lead people to expect more in terms of changes in the economy, and social life. The argument that political bodies and tourism organisation may engage in “boosterism”, actively “interpreting” tourism data to make political and business points, has been identified in tourism for some time (Jafari, 1990). This implies that these statistics provide only raw material and researchers might need to reconstruct the depth of meaning. On the other hand, (Ahmed, 2010) argued that in an interpretative understanding, researchers need to relate literal meaning to the content of document and arguably the context of the comments in order to assess all meanings. He also observed that the researcher can be required to re-order and infer points from raw material by his/her own interpretation before presenting results. These requirements locate the documentary researcher in the research paradigm often referred to as constructivism (Jennings, 2010). In this level of study the researcher acknowledges the multiple perspective which may exist in the materials with which they work and their own role in understanding that material.

2.3.1.5 General principles about the technique

2.3.1.6 The analysis of documents

When engaging in documentary research, document analysis can be a useful research tool (Bryman, 2004) . Mayring (2004, p. 267) noted that documentary analysis focuses on language and linguistic features, meaning in context, is systematic and verifiable as the rules for analysis are explicit, transparent and public. Documentary analysis covers a wide range of sources, including official statistics, photograph, texts and visual data . Document analysis also allows researcher to learn about society, the research question as well as the contextualization (Corbetta, 2003). Cohen et al. (2007) perceived content analysis as an alternative tool to analyze numeric data and interpret meaning from the written text. Bryman (2011) and Hakim (1982) supported that documents do not stand on their own, but need to be understood within the theoretical or contextual framework in order to understand their content. For this purpose, this study employed content analysis to assessing the research problem, and to interpret and analyze the material. Both quantitative and qualitative content analysis were employed for investigation in this study.

2.3.1.7 Quantitative content analysis

One special technique that can be used to analyze documents in the tourism field is that of quantitative content analysis. Quantitative content analysis can be represented as a starting at a point corresponding to the text (Oleinik, 2011). Ole (1969) defined quantitative content analysis as “any technique for making inferences by objectively and systematically identifying specified characteristics of messages.” Quantitative content analysis also allows researchers to examine the relationships numerically (Riffe, Lacy, & Fico, 1998). Edward (1990) explained that the quantitative content analysis focuses on key categories and measurements of variables which from the text or message set. Quantitative text analysis is not confined to representing textual content numerically but is also applicable in extracting information from the text.

Quantitative content analysis is the main method of data analysis in empirical communication research and the most prominent in the survey field (Spencer, Ritchie, Lewis, & Dillion, 2003). Berelson (1952) speaks of quantitative text analysis as follows: “it is a research technique for the objective, systematic and quantitative description of the manifest content of communication.” It is an empirical method that was used to primarily analyze and record human communication in a quantitative and systematic way. Using quantitative content analysis, it is possible to structure questions in the communication process. Additionally, to be effective in using quantitative content analysis, Neumann (2006, p. 84) highlighted four elements: frequency, direction, intensity and space.

Frequency refers to the number of times a word, text, sentences or images has appeared in the document (Neuman, 2006, p.84).The goal of quantitative analysis is to produce counts of key categories and measurements of the amounts of these variables. A simple word count enable researcher to provide insights that go beyond any other text analysis approaches (Wesley, 2009). Bryman (2004) observed that the repeated character of patterns and themes enables researchers to interpret and extract the meaning of document. A clear example of using frequency can be found in advertising of the hotel packages that have frequently used particular words or phrase to promote their products and services. As a result, frequency analysis has often been used in

quantitative content analysis in tourism studies for analyzing numerical text (Bryman, 2004; Oleinik, 2011).

Direction is a term in the quantitative content analysis approaches that describes the identification of units of study and helps develop an effective coding system (Neuman, 2006, p.85). Oleinik (2011) reported that when a researcher understands texts representationally, they are used to identify their sources' intended meanings. When researchers understand texts instrumentally, they interpreted data effectively and construct their own theory" (Robert, 2000, p. 259). While Neuman (2006) used the term direction to analyze the text, Sarantakos (2005) presented the term evaluation. Neuman (2006, p.84) explained that both cases refer to the positivity or negativity of the text or image being studied. For the text analysis, he added that the researcher might be evaluating the text from the lists of adjective or descriptors being studied. As a result, both positivity and negativity can be included in quantitative content analysis to analyze the text in secondary data.

The positivity and negativity of the text or image can also be measured by their intensity (Neuman, 2006, p.84). There may be a significant difference in the strength of the direction of positivity and negativity (Sarantakos, 2005). For example, one travel reporter may report a hotel as having excellent service, while another may report the service as good. For the quantitative text analysis in tourism studies, intensity may be evaluated by examining contrasts using superlatives, analogies, images or even background colour images to imply intensity of feeling.

Space can also be considered as one of the important elements in the quantitative content analysis. Jennings (2010) explained that space refers to the amount of area allocated to the text or image in a document. The position of text or image in a document enables a researcher to understand elements of importance and perceived interest of the content of document. When analyzing quantitative text, the researcher has to consider several aspects of size, shape of the image, position and visual clarity of the image (McCroskey, 1993; Neumann, 2006). Jennings (2010, p.85) stated that in tourism promotional materials, such as brochures and online advertising, the amount of space devoted to a theme or issues may be tracked over time. She also observed that

space in traveling magazines, publication, and sites allow researcher to understand the texts, since the command of prominent space usually convey the meaning in materials.

2.3.1.8 Qualitative content analysis

Qualitative content analysis has been widely used in research applications and social science information (Allen & Reser, 1990). Many current researchers have applied and defined qualitative content analysis for their study and research. Hsieh and Shannon (2005) observed that it is an approach where subjective interpretation of data may follow the systematic classification process of coding and identifying themes or patterns. It is an approach describing empirical and methodologically controlled analysis of texts within their context of communication, following content analytic rules and step by step models, without rash quantification (Allen & Resen, 1990). Krippendorff (2004) also argued that qualitative content analysis could help researchers make replicable and valid inferences from specific data to a wider context. Patton (2002) stressed that it is a method that attempts to take a volume of qualitative material and identify core consistencies and meanings. These definitions locate qualitative content analysis as a way of integrating views of texts and their specific contexts.

Qualitative content analysis clearly involves the interpretation of communication or text and can be applied to analyze secondary data such as newspapers, books, letters, diaries, public documents, annual reports and official reports. Such texts, whether official documents, interview scripts or journals, are sources of both factual and subjective material. Finn et al. (2000) added that counts of such textual materials are merely providing a first step in identifying, organizing, indexing and retrieving data. Analysis of the data once organized according to certain content elements may then involve further consideration of the text being analyzed, including the manner in which these words have been offered. The treatment of the history of domestic hotels and the tourism industry in Thailand resides in just these sorts of documents. In this way, qualitative content analysis provides a method for developing a route for understanding text or transcribed accounts offered by subjects (Glassner & Loughlin, 1987).

Hsieh and Shannon (2005) also argued that qualitative content analysis goes beyond counting words or extracting content from text and needs to examine the intended meaning of the authors. Weber (1990) observed that the external observer also emphasizes a subjective meaning and may attribute meaning to actors which are different to those participants' views. The complexities of interpretation and attribution suggest caution should be exercised in many studies where the views of others are judged from linked information. Spencer et al. (2003) noted that qualitative content analysis emphasizes co-occurrences of words and classifies words as they function in relation to other words. This approach may need careful interpretation. More positively, Berge (2001) reported that such an approach can also identify the unique phenomenon better than simply counting and relying on the statistical significance among particular words and concepts.

As qualitative content analysis involves a process of changing data into themes or categories, it requires researchers to focus on valid inferences which can be drawn from literature or theory (Finn & et al, 2000). Generating concepts or variables from the data of the previous studies is considered useful for qualitative research, especially at the data analysis process stage (Berge, 2001). In relying on previous literature but also by paying close attention to the existing texts, qualitative content analysis can be seen as blending a deductive and inductive approach to the research question. Krippendorff (2004) supported the view of the researcher that this approach tends to code conceptualization from the established literatures to address the research questions.

Hsieh and Shannon (2005) explained three approaches characterising qualitative content analysis involves. First, they identify conventional qualitative content analysis that is based on grounded theory and involves using coding categories all of which are inductively derived from the raw data. The involvement in the analysis phase and data collection are useful process for researcher to address the research question (Miles & Huberman, 1994). Second, there is directed content analysis in which the initial coding starts with a theory or relevant research findings. Berge (2001) observed that generating concepts or variables from theory or previous studies are also very useful

for qualitative research, especially at the inception of data analysis. The purpose of this approach is usually to validate or extend a conceptual framework. During the data analysis, the researchers determine the themes by examining on the data. Third, there is an approach in which the researcher starts with the counting of words then extends the analysis to include the latent meanings and themes. Some of the steps overlap with the traditional quantitative content analysis procedures (Tesch, 1990), while others are unique to this method. This approach seems to be quantitative and deductive in the beginning but later it does explore the use of the words in an inductive manner.

The work in the present thesis will employ both quantitative and qualitative content analysis techniques for the documentary research. The two approaches are not mutually exclusive and can be used in combination (Zhang & Wildemuth, 2009). As suggested by (Smith, 1975, p. 218), “qualitative analysis deals with the forms and antecedent-consequent patterns of form”, while quantitative analysis considers duration and frequency of form. Weber (1990) also pointed out that the best content-analytic studies tend to use both qualitative and quantitative operations. By using both approaches, Gray and Densten (1998) have suggested researchers can cross-check their outcomes. In practice, the combination of methods boosts reliability and validity of the research findings (Bryman & Bell, 2011; Jick, 1979).

2.3.1.9 Strengths and weaknesses of documentary research

Documentary analysis has several attractions but also poses some difficulties (Bailey, 1994). A number of researchers have noted the strengths and weaknesses of the approach (Denscombe, 1998). Bailey (1994) identified the major advantages and disadvantages of the approach and these perspectives are presented in Table 2.1.

Table 2. 1 Strengths and weaknesses of documentary research

| Strengths | Weakness |
|---|---|
| Documentary research enables the researcher to reach inaccessible persons or subjects as in the case of | Materials may be highly biased and selective as they were not intended to be regarded as research data but were |

| | |
|--|---|
| historical research. | produced for a different purpose, audience and context. |
| There is little or no reactivity on the part of the writer, especially if the document was not written with the intention of its being research data. | They may be highly biased accounts of events. |
| Documentary study is also useful in longitudinal analysis as it may show how situations have evolved over time. | Selective interpretation by the author may result in an incomplete record of the situation of interest. |
| Documentary may capture a dynamic situation at the time of writing. | Materials must be studied in their context in order to understand their significance at the time. |
| Many documents may have been written by skilled professionals in positions of privilege which contain more valuable information than those written by the relatively uninformed. | Documents may contain inaccuracies which were never corrected. |
| Saves time and money. | Non-electronic records may require field work to access information |

2.3.2.0 Examples of documentary research in hospitality and tourism

There is a growing use of documentary research in the tourism and hospitality field, including the study of the development of the hotel industry. Examples of documentary research in hotel studies are briefly outlined here. Imrie and Fyall (2001) applied documentary research to study the economic survival of independent mid-market hotels in the UK following the growth and the pressure from the brand hotels from US and Europe. The aim of their research was to investigate how the independent mid-market hotels shaped their strategies to preserve market share, retain profit and be competitive in the future (Imrie & Fyall, 2001, p. 64).

From these key themes and questions, a hypothesis was developed which proposed that the customers of the independent mid-market hotels would remain loyal (Imrie & Fyall, 2001). The researchers employed documentary research to investigate what issues had influenced the growth of the hotel sector in UK and what perceptions customers held toward the products and services of independent mid-market hotels. In their analysis, they found that critical marketing factors that needed to be achieved by the independent mid-market hotel included emphasizing a customer-focused product, approaching, pricing, good location and ease of booking, as well as a consistency of service quality. The additional findings of their studies concluded that these challenges can be addressed by the independent mid-market hotels. Their overview of the UK hotel sector, revealed the segments whose needs were best met respectively by the growth of independently owned hotels, small group-owned hotels and the larger corporately owned hotels.

Another example of documentary research relevant to this thesis was the study of Hongsaranagon (2008) who considered Ubon Ratchathani Province Thailand and its involvement stage in the tourist destination life cycle. The aim of his research was to present an analysis of the area's stage of development derived from documentary research, interviews, and a survey. Given the research aim, the study was conceptually linked to the product life cycle concept and the tourist destination life cycle (TALC) concept proposed by Butler (1980).

The study found that Ubon Ratchathani province is now in its "involvement stage" of destination life cycle according to the Butler's model. The improvement of main roads, the opening of Ubon Ratchathani international airport and the improvement of service quality of local hotels, were all seen as stimulating the number of domestic and international tourists to the province. These factors were seen as building on the promotion by TAT to maximise year round visitors. The use of documentary evidence played a major role in this Thai tourism study. It can be suggested that the study was useful for the tourism planner to prepare for long-term changes, consider strategies of land use, and build the economic development of Ubon Ratchathani province in the future.

2.3.2.1 Applications of documentary research in the thesis

Documentary research will be conducted as the first phrase of this thesis. The approach is seen as being the technique that is most useful to interpret the historical sources that exist describing the Thai hospitality research. In Thailand, the development of the tourism and the hospitality industry can be considered to be an important issue to study. Documentary studies will supplement the limited data collected on Thai tourism development by empirical research using survey and interviews (Payne & Payne, 2004). Flick (2009) has argued that documentary studies can provide additional quantitative and qualitative based insight. As a result, the approach may provide benefits in the overall review of the past, the present and the future of Thai domestic hotels (Mogalakwe, 2006).

The present research is mainly using documentary research to review the relevant literature to identify the influential issues that shape the development of domestic hotels from 1962 to 2012. Using documentary research to study the development of Thai domestic hotels in the first phrase will enable to broader the understanding of many aspects and changes in the Thai tourism industry. The results of documentary research in the first study will also be used to define and then explore the influential issues that shape the current and future development of domestic hotels in Thailand.

2.3.3 Interview studies

2.3.3.1 Scope and definition

The interview is one of the important research methodology used in this research. Interviews can be linked to conversation as they are merely one of the many ways in which two people talk to each other (Benney & Hughes, 1970, p. 176). When people talk, they select details of their experience from their stream of consciousness (Seidman, 1997). These statements are relevant to a basic perspective proposed by Aristotle that conversation or every whole story should include a beginning, a middle and an end (Butcher, 1902). In order to give detail in a story, people must reflect on their experience and knowledge. Peter (1981) supported the view that when people

converse, it stimulates their minds and provides insights about the human condition. The interview is the process of selecting constitutive details of experience, reflecting on them, giving them order, and thereby making sense of experience (Schutz, 1967). Seidman (1997) suggested that being interested in others is the key to some of the basic skills in using the interview technique.

As a research methodology, the interview is the primary data collection technique for gathering data in qualitative methodologies. The interview is considered to be a flexible tool for data collection, enabling multi-sensory channels to be used including the verbal and the non-verbal, the spoken response and silence (Cohen et al., 2007). The research interview has been defined as a two-person conversation initiated by the interviewer for the specific purpose of eliciting research relevant information (Cannell & Kahn, 1968). Kvale (1996) pointed that it is an interchange of views between two or more people on a topic of mutual interest. Cohen et al. (2007) supported the perspective that interviews enable participants to discuss their interpretation of the world and express how they regard situations from their own point of view. Interviews are a pivotal tool in an emic research approach.

Another important feature of using interviews is that both interviewer and interviewee can engage in the research process (Veal, 1997). Holstein and Gubrium (2003) argued that parties to the interview are necessarily and unavoidably active. Researchers can participate with the interviewees and gain perspective from the conversation (Patton, 2002). The consequence of these conversations may result in increasing the exchange of information between researcher and interviewee. It has been suggested that interviews can be seen as the method for doing research with the respondents rather than on the respondents (Pearce, 1988; Decrop, 1999; Jennings, 2010; Kvale, 1996; Sekaran & Bougie, 2009; Veal, 2006).

As a distinctive research technique, Tuckman (1972) postulated three reasons for conducting interviews. First, interviews enable researchers to gather information related to their research objectives. He noted that interviews with participants provide access to their knowledge, information, attitudes, beliefs, values and preferences. Second, it may be used to test a hypothesis or to identify variables and relationships.

Third, it may be used in conjunction with other research methods in undertaking a research. Kerlinger (1970) added that interviews might be used to follow up unexpected results from other research approaches. For example, researchers might use interviews to validate or investigate respondents' reasons for responding in surprising ways.

There are various type of interviews as characterized and described by (Bryman 2004, p.113; Bell 2011). These categories are presented in Table 2.2.

Table 2. 2 Types of interviews

| Type/Name | Explanation |
|----------------------------------|--|
| Structured interview | It is built on a strong administrative control of the interview. The aim is for all interviewees to be given exactly the same context and questioning. Each respondent receives exactly the same interview stimulus as any other. The goal of this style of interviewing is to ensure that interviewees' replies can be aggregated. |
| Semi-structured interview | This is a term that covers a wide range of instances. It typically refers to a context in which the interviewer has a series of questions that are in the general form of an interview schedule but is still able to vary the sequence of questions. The questions are somewhat more general in their frame of reference from that typically found in a structured interview schedule. Also, the interviewer usually has some latitude to ask further questions in response to what are seen as significant replies. |
| Unstructured interview | The interviewer typically has only a list of topics or issues, often called an interview guide. The style of questioning is usually informal. The phrasing and sequencing of questions will vary from interview to interview. |
| Intensive interview | This term is an alternative term to unstructured. |

| | |
|-------------------------------|--|
| Qualitative interview | For some writers, this term seems to denote an unstructured interview, but more frequently it is a general term that embraces interviews of both the semi-structured and unstructured kind. |
| In-depth interview | Like the term qualitative interview, this expression sometimes refers to an unstructured interview but more often refers to both semi-structured and unstructured interviewing. |
| Focused interview | This is a term devised by Bryman (2004) to refer to an interview using predominantly open questions to ask interviewees questions about a specific situation that is highly relevant to them and of interest to the researcher. |
| Focus group | This is the same as the focused interview but interviewees discuss the specific issue in groups. |
| Group interview | Some writers see this term as synonymous with the focus group, but a distinction may be made between the latter and a situation in which members of a group discuss a variety of matters that may be only partially related. |
| Oral history interview | This is an unstructured or semi-structured interview in which the respondent is asked to recall events from his or her past and to reflect on them. There is usually a cluster of fairly specific research concerns to do with a particular epoch or event, so there is some resemblance to a focused interview. |
| Life history interview | This is similar to the oral history interview, but the aim of this type of unstructured interview is to glean information on the entire biography of each respondent. |

Since there is no research method that can suit all research aims the choice of an interview research method is based on practical constraints and the research interests of the study. An in-depth interview seems appropriate for the present interest in the future of Thai domestic hotels. Taylor and Bogdan (1998) provided four reasons why

in-depth interviews are valuable methods and these points suit the present interests. First, the researchers have the specific questions they wish to ask and a clear sense of the topic. Second, the group of people is modest in size or difficult to access if using purely quantitative sampling methods. Third, the available time must be appropriate for the researcher to complete the study even if this time is longer than that request for other types of qualitative study. Fourth, the researcher is interested in understanding a broad range of issues or the perspective from the key people about the topic. All of these conditions suit the research study and aims of exploring the influential growth and the future of these businesses.

The details of the in-depth interview process can be documented as follow. For the in-depth interview, the researcher needs to prepare a list of questions before being conducting the research. The participants can be asked a sequence of questions that are guided by the researcher during the interview. Additionally, throughout the interview, some additional questions can be added based on the broad aim of the study. In-depth interviews can be seen as close to semi-structured interviews which are often cited as the favoured investigative tool in many social sciences studies (Benney & Hughes, 1970; Kvale, 1996; Taylor & Bogdan, 1998). Both approaches have a certain degree of structure but remain flexible (Bryman, 2004).

Since the study is directed at key stakeholders, it is appropriate to highlight some characteristics associated with interviewing such respondents (Yuksel, Bramwell & Yuksel, 1999). These researchers highlighted seven characteristics of stakeholders as interview respondents. First, such interviews are considered to be effective in time and money since the sample is likely to be small. Second, the sampling method used to select the qualified interviewees from each stakeholder group is important as the sampling should ensure a high degree of representation and ability to generalize the information collected (Glass, 1979). Third, if a group approach is adopted the views of different participants should be allowed to be heard during the interviews. Fourth, in group interviews researcher must avoid the situation that one interviewee might be affected by the expression of the other interviews. Fifth, interviews from stakeholders may be influential in producing actions beyond the interview. There may need to be ethical considerations in what is asked of powerful individuals (Pearce, Moscardo &

Ross, 1996). Sixth, the open-ended questions that are flexible are valuable and allow researchers to study additional subjects of interest. Seventh, interviewing and interpreting the stakeholders' view can provide an opportunity to embrace the sophisticated issues and benefit future tourism development.

2.3.3.2 Planning interview-based research procedures

Kvale (1996, p.88) set out seven stages of an interview investigation that can be used to plan research methodology.

1. Thematising involves the theoretical basis of the study, its broad aims, its practical value and the reasons why the interview approach was chosen
2. Designing involves translating research objectives into the questions that will make up the main body of the schedule
3. Interviewing involves following a written and unwritten script for interaction (Kvale, 1996, p.125)
4. Transcribing involves creating a verbatim text of each interview by writing out each question and response using the audio recording
5. Analyzing involves re-reading the interview transcripts to identify themes emerging from the respondents' answer
6. Verifying involves checking the credibility of the information gathered: the activity labelled called triangulation is commonly used to achieve this purpose
7. Reporting involves sharing results from the in-depth interviews with internal and external stakeholders through written or oral reports, these reports should describe not only the results, but how the results will shape future work

There is some flexibility in using these steps, for example not all interviews involve full transcription of what is said. Nevertheless, the essence of these guidelines will be enacted in this thesis.

2.3.3.3 General technique

2.3.3.4 Sampling

When the full extent of the population of interest is broad and difficult to determine, non-probability sampling is often employed to generate ideas and potentially generate findings which still apply to the larger sample of interest. Non-probability sampling represents a group of sampling techniques that help researchers select units from a population that they are interested in studying. The nonprobability method of sampling is a process where probabilities cannot be assigned to the units objectively but subjectively. A key characteristic of non-probability sampling techniques is that samples are selected based on the subjective judgment of the researcher, rather than random selection. Gile and Handcock (2010) stated that nonprobability sampling entails judgmental selection of a subset from a population in such a way that the subset selected is not dictated simply by chance or randomness. When following a qualitative research design, non-probability sampling techniques provides researchers with some reasons why units are included in the sample. There are several types of nonprobability sample, convenience sampling, quota sampling, dimensional sampling, purposive sampling and snowball sampling (Biernacki & Waldorf 1981). Among these techniques the snowball sampling approach has special characteristics which are relevant to the work in this thesis.

Snowball sampling has been considering as a convenient tool to collect a sample from a population in which a standard sampling approach is difficult to employ or where the population is almost limitless (Biernacki & Waldorf, 1987). Snowball sampling involves asking individuals initially selected to provide contact information for relevant others who could potentially be included in the sample. This method allows researcher to choose an initial individual or set of individuals who can identify other potential subjects who meet the established criteria of the research. Gile and Handcock (2011) have pointed out that in many such hard to reach populations, such linking is an effective means of collecting data on population members. In considering the study of the current and future development of Thai domestic hotels, this method is a particularly useful tool when looking for expert hotel operators who will be able to provide information relevant to the research of interest. The full details of how the

respondents were recruited and the results of interview survey will be presented in the appropriate chapter.

2.3.3.5 Strengths and weaknesses

The following table is developed to appraise the strengths and weaknesses of the in-depth interview.

Table 2. 3 Strengths and weaknesses of in-depth interviews

| Strengths | Weaknesses |
|--|---|
| Explores general topics to help uncover the participants' views and respects how the participant frames and structures their responses | Unwilling or may be uncomfortable sharing all that the interviewer hopes to explore, or unaware of recurring patterns |
| Able to ask for further clarification and detail and pursue these issues without negatively affecting the quality of the empirical materials collected | Research may manipulate the empirical materials and bias the empirical material by only pursuing one particular line of prompting |
| Respondents can answer questions in as much detail as they want | Difficult to directly compare the results of in-depth interviews because each interview is unique |
| Valid information about respondents' attitudes, values and opinions can be obtained | Unlikely to be representative of a particular population, since the sample size is relatively small |
| Can adjust questions and change direction as the interview is taking place | Cost time and money |
| Encourages the respondents to be open and honest | |

Source: Douglas, 1976; Davies, 2006; Jennings, 2010.

2.3.3.6 Examples of use in tourism research

This section outlines two examples of using in-depth interview in order to further the understanding of the technique and its potential for application in the research. The first example is the study of McIntosh and Siggs (2005) who conducted an exploration of the experiential nature of boutique accommodation. This research considered the experience and satisfaction of guests toward accommodation products and services. Another main focus of the study was to investigate how the boutique accommodation properties developed their product features to improve guest experience. The hypotheses of this study were to relate tourist experience with the accommodation to guest satisfaction and to review how the hotel operators developed their service and product features to satisfy their guests.

McIntosh and Siggs's work, studying the topic of interest in New Zealand, used in depth-interviews to discuss the issues with 19 of 42 hosts selected from the Nelson regional tourism organization. The hosts were listed in the Heritage and Character Inn book from 2003-2004, and the New Zealand Bed and Breakfast book 2002-2003. Thirty guests were also interviewed as well as the accommodation hosts. They were mainly international tourist couples aged between 50 and 64 years who were travelling independently around New Zealand. For the data analysis, the researchers used descriptive analysis to identify experiential dimensions of the boutique accommodation and then employed content analysis to analyse the interview transcripts.

Using the in-depth interview, the researchers found four features that were considered to be critical to the guests' experiences during their stay in the boutique accommodation. The features were that the experience was personalized, it was homely, of high quality and added value to the holiday. The study also highlighted that qualitative differences existed between tourists' experience in the types of historic buildings used as boutique accommodation. It was found that while the building may be considered as of heritage value, this feature may not be as important to guests as their interaction and the personalized attention they received from their hosts.

Another example of using the in-depth interview is provided by Tidichumrernporn (2009) who studied lifestyle segmentation for boutique accommodation in relation to the topics of service quality and customer satisfaction. This research studied the characteristics of boutique, chic, hip and life style hotels in Chiangmai, Thailand, and how these labels were perceived among the management, staff and guest. The research also sought to relate the characteristics of the owner of the hotel and their management approach. Additionally, the study explored the perspective of hotels' guests in terms of value, attitudes, lifestyle and their views of service quality, as well as their level of satisfaction with regard to this hotel sector. The foundations of the study were based on market segmentation and attempted to identify customer behaviour in relation to travel and hotel products, life style (Ernes & Young, 2008; Johns & Gyimothy, 2002; Moscardo, 2004; Parasuman & Beerry, 1985).

The Chiangmai study was designed to collect data into two phases. Phase A, the study was based on 50 hotels in the location. The researcher employed in-depth interviews to collect information from hotel owners, hotel managers and department heads in order to investigate their perception of the boutique hotel concept and how they differentiated their products and services. Interview questions also examined how they perceived their customer, and attempted to investigate the effectiveness of their management and marketing strategies to deal with competitors (Tidichumrernporn, 2009). In phase B, the study focused on domestic and international tourists who stayed overnight at boutique hotels in Chiangmai during the period of survey. The study gathered a total sample of 400 respondents which included 200 domestic tourists and 200 international tourists. This study also uses a stratified random sampling method as a strategy to select the sample. For the data analysis, the researcher employed descriptive counts of means and percentages. Additionally, analysis of Chi-square and Variance (ANOVA) were used to test the relationship among variables.

Using the in-depth interviews, the researcher found that boutique hotels in Chiangmai are generally of a small size, and deliver a theme and concept in terms of their design, as well as "unique" products and services. Boutique hotel entrepreneurs and hotel management teams were shown to be independent compared to the traditional hotels. The marketing strategies and activities were aided by being a member of a boutique

hotels group. The study also found differences between the Thai and international tourists in terms of their lifestyles and preferences with regard to service quality (Tidtichumrernporn, 2009).

2.3.3.7 Applications in the thesis

In-depth interviews will be used in this thesis to conduct a study investigating the perspectives of hotel operators about the current and future development of Thai domestic hotels. Using in-depth interviews in research should enhance the interchange of views between the researcher and participants on this topic of mutual interest (Kvale, 1996). The question context for the interview work will be constructed from the documentary research of the first study. Jennings (2010) supported the view that the in-depth interview enables researchers to clarify information from existing basic information sources.

In this study, open-end questions will be used in the in-depth interview to encourage the participants to freely express their views. The interview questions will be translated into Thai and guided by researchers during the conversation. Participants will be encouraged not to answer if they feel at all uncomfortable about the question being asked by researcher. The more specific details of the logistics of the interview study are provided in the relevant chapter of the thesis.

2.3.4 Survey studies

2.3.4.1 Scope and definition

The definition of a survey has been clarified by Cooper (2011) who argued that the survey is a system for collecting information to describe, compare, or explain knowledge, attitudes and behavior (see also Fink, 1995). A survey can be an appropriate tool for inferring broad patterns from a relatively small group of people. Cohen et al. (2007) noted that surveys involve selecting a representative and unbiased sample of subjects drawn from the group you wish to study. Kerlinger (1986) elaborates on this definition by describing survey research as studies of large and

small populations by selecting and studying samples chosen from the populations to discover the relative incidence, distribution and interrelations of sociological and psychological variables.

Additionally, the key features of surveys enable researcher to gather information on a wide field of research issues and populations. Cooper et al. (2007) supported the view that a survey is a tool which can be used with supportive statistics to assess the variability of certain features in a population.

Morris (1993) emphasized that surveys facilitate researchers in gathering numerical data, and then being able to provide descriptive, inferential and explanatory information. These key features were all applied to the survey approach (Fink, 1995).

The types of data collection method in a survey reflects the guiding research methodology. The researcher should determine the most practical, efficient, feasible and ethical methods for collecting data as the research progresses. Researchers should also consider whether they can fashion and manage a role that works with the chosen data collection strategies. The more common forms of data collection methods used in survey are the self-completion questionnaire and the direct one to one interview.

In considering the features of questionnaires in collecting the data, Wilson and Mclean (1994) noted that it is a widely used and useful instrument for collecting survey information, providing structured, often numerical data, being able to be administered without the presence of the researcher, and often being comparatively straightforward to analyze. Questionnaires are also one of the most popular methods of collecting data among hospitality and tourism researches. The method is effective in systematically collecting information from a large number of people at low cost, and can provide material to produce summaries and quantitative descriptions (Altinnay& Parakevas, 2008). Questionnaires also facilitate the comparison of responses by asking all, or a sample of people, to respond to the same questions. Additionally, Saunders et al. (2009) have maintained that researchers can collect different types of data by using questionnaires to access opinions, behaviours, and identify important perspectives from the respondents. Questionnaires are helpful in gathering information that is

unique to individuals, such as attitudes or knowledge. This feature is often strengthened where the material being examined is sensitive and the respondents are given the protection of anonymity.

For the questionnaire design, Saunder et al. (2009) noted that it is very helpful to structure the direction of the research process. Questions in the instrument can be designed to achieve the research objective as well as to obtain additional information. Pre-testing of the questionnaire is often a valuable first step in testing the language and respondents' views of the material.

Most questionnaires are associated with closed-ended questions while open-ended questions are sometimes more closely associated with interview surveys delivered in a less structured exchange. Importantly, questionnaires enable comparisons to be made across groups in the sample (Oppenheim 1992). He added that closed questions in a questionnaire are useful in that they can generate frequencies of responses amenable to statistical treatment and analysis. Closed-ended questions are those which require respondents to choose from a list of pre-set questions to indicate their preference, attitude, knowledge or opinion. In terms of interpretation, questionnaires with closed-ended items are quicker to code and analyze and often they address precise issues well (Bailey 1994).

On the other hand, open questions might be more likely than closed questions to elicit answers from respondents who want to qualify an answer (Schuman, 2008). This may reduce the mid-point or don't know responses of closed-ended questions. Fink (1995, p.33) noted that open-ended questions were useful to determine issues around management accounting education that were not apparent from the literature review. Consequently, he emphasized their value in encouraging respondents to answer in their own words. Open questions also enable participants not just to write a free account in their own terms, but also to explain and qualify their responses and avoid the limitations of pre-set categories. Schuman (2008) concluded that open questions can add richness to survey results and can yield significant benefit to the research, often because researchers can cite direct remarks to embellish more generic statistical reporting.

The thesis research will provide self-administered open-ended and close-end questions as an instrument to access the information from both domestic hotel users and hotel operators. The closed-ended questions will be simple for the respondents to complete and straightforward for the researcher to code as well as comparable across the sample (Wilson and McLean, 1994, p.21). The close-ended questions will be subject to statistical analysis. The accompanying open-ended questions will allow respondents to provide answers in their own way without the restriction from the structured of questions and the knowledge of researcher. It is anticipated that the combined use of open-ended and close-ended question will build a stronger data collection approach.

2.3.4.2 Planning questionnaire research procedures

In order to provide a valid and reliable measurement, a self-administered questionnaire was developed for the study. The following procedures support an efficient implementation of this kind of questionnaire survey (Cooper & Schindler, 2011, Jennings, 2010 Sellitz, et al., 1976).

1. Be specific about the purposes and the objectives of the questionnaire
2. Target the population and the sample (determine their characteristics)
3. Generate the topics, concepts and issues to be addressed and data required in order to meet the objectives of the research
4. Decide the kinds of measures (scales, questions and responses required)
5. Write the questionnaire items
6. Pilot test or check the format with a reference group
7. Administer the final questionnaire
8. Analyze the data

2.3.4.3 General technique

2.3.4.4 Sampling

The quality of research lies not only in selecting the appropriate instrumentation but also in building a suitable sampling strategy to conduct the study (Morrison, 1993). Using the questionnaire approach involves steps in defining target populations, determining the sample size and evaluating an existing sampling frame (Ticehurs & Veal, 1999). Once these steps are determined, one must choose the type of sampling strategy to be used. In terms of probability sampling, there are several methods which include systematic sampling (simple random sampling), stratified random sampling, cluster sampling, and area sampling approaches. These are the common divisions of probability sampling (c.f. Bryman & Bell, 2011; Cresswell, 2003; Fallowfield, 1995; Peredo, 2006; Sekaran & Bougie, 2009; Ticehurst, 2005; Veal & Walle, 1997).

When the probability of a member of the population being selected for the sample are known, (such as all domestic hotel operators in the regions selected) a simple random sampling can be considered to be a suitable method for the study. Cohen et al (2007, p.110) noted that the simple random method involves selecting at random, from a list of the population, the required number of subjects for the sample. Each individual in the population will be randomly chosen entirely by chance and has the same probability of being chosen at any stage of sampling process. There is a widespread view that this approach represents the highest or best quality approach to sampling (Hopkins, 2000). Johnson and Christensen (2004) supported the view that this form of sampling maximises the chance that the sample will have the same characteristics as the whole population. The recurring challenge in attempting to use simple random sampling is being able to identify the whole population of interest. While this is possible in cases such as the domestic hotel operators in region of Thailand, it is more problematic for tourists to these hotels. The further discussion of sampling approaches for the interview and questionnaire work will be developed in Chapter 4 and 5 of this thesis.

2.3.4.5 Strengths and weaknesses

The following table is developed to appraise the strengths and weaknesses of questionnaire (Bourque & Fielder, 1995, p.14; DeVaus, 1996, p. 108; Fowler, 2009; Jennings, 2010, p.239; Kerlinger, 1986, p.387; Neumann, 2006, p.235; Oppenheim 1992, p.102).

Table 2. 4 Strengths and weaknesses of questionnaires

| Strengths | Weaknesses |
|--|---|
| Can be the cheapest method when research is conducted by only one researcher | Cannot explain any points in the questions that participants might misinterpret |
| Enables the researcher to target dispersed geographical areas | No control over who responds to the questionnaire and whether or not that person “consults” with colleagues while completing it |
| Specific population can be targeted | Respondents may answer superficially especially if the questionnaire takes a long time to complete |
| The cost of fieldwork and access is usually not too expensive | Questionnaires, like many evaluation methods occur after the event, so participants may forget important issues. |
| Participant can complete the questionnaire at their own pace | Difficult to phrase questions |
| Information can be collected from a large portion of group | Respondents may not take the questionnaire seriously |

2.3.4.6 Examples of use in tourism research

The two examples of using questionnaire survey which are provided in this section further the understanding of applying this technique. The first example is a study by

Holverson and Revaz(2006) who analysed how “life style” small and medium sized hotels can benefit from being life style hotel consortia member. The research aims to examine the added value or disadvantages as evaluated by medium to small independent hotel operators (SME) of being member of such specialised lifestyle consortia.

A questionnaire was employed to survey lifestyle consortia companies. Ten consortia were identified as representing lifestyle hotels and they were requested to identify information on company background, performance, service offered, operating principles and unique selling proposition. As a result, the researcher was able to combine their responses and compare information with material which these hotels provide in their websites. The data from ten consortia were analysed in order to identify their market tendencies. Relationships among the variables investigated the response made by small to medium hotel consortia members. A wider convenience sampling technique was then used from the directories of the 10 lifestyle consortia and 1329 hotel members were emailed with an Internet link interfaced with SPSS.

Using the results of the questionnaire survey, the researchers found that 61 hotels out of 73 respondents (84 %) indicated that there has been an improvement in their performance since joining these consortia. The added value of services such as personalized service and quality of service were found to be the same as in previous studies and still attracted specific clientele. Other added values that were reported by consortia members included being open to new ideas, boosting innovation and the forming of dynamic partnerships with these in the consortia lifestyle group. They also highlighted that positioning, branding and distribution benefits were considered to be special advantages to independent small or medium independent lifestyle consortia members.

The second example is a study by Sharma and Uneja (2005) who investigated the factors influencing financial performance of small hotels in Tanzania. The purpose of this study was to inquire about the factors that are influencing performance of small hotels in Tanzania. The research aims of the study were to improve the understanding of hospitality business dynamics in Tanzania and other Southern African nations

(Ruggles, 1999). The concepts of the research were based on the influence of external environments forces (Olsen et., 1998). Prior research suggested that external forces can be hostile to the hospitality business in developing countries (Smallbone & Welter, 2001).

The study used a questionnaire survey to gather data through a face to face structured survey approach. The study considered a total of 53 small hotels in the Arusha region which is located in the northern part of the country. Of the 53 hotels, only 25 hotels were categorized to be operating in the formal economy group. The surveys were conducted with owners or hotel operators. The data were analysed by using non-parametric statistics because the purpose of the study was to identify key factors that could be influencing the operational performance of small business. The format of the questions of these surveys was open-ended with the purpose of investigating owners' or hotel operators' views about the factors that influence the performance of the small hotel. Using the questionnaire, the researchers found several problematic operational factors in the small hotels such as the lack of a good employee training program, low investments in fixed assets and technology, limited safety and security checking processes. All of these difficulties were seen as limiting the performance and development of small hotels in Tanzania.

2.3.4.7 Applications in the thesis

As already suggested, the second and third phase of this thesis will use a self-administered questionnaire. It will be designed to investigate the perspective of domestic hotel users and hotel operators about the current and future development of Thai domestic hotels in conjunction with the results of documentary research. This method will enable the researcher to explore the perspectives of these key stakeholders, the origins of their attitudes, and their perception on an individual basis (cf. Veal, 1997). The quantification which is possible from questionnaire information will be used to test key relationships. Another reason for using a questionnaire is that it can provide extensive support for the documentary research and interview studies. The questionnaire studies will be conducted in the same place as the interviews. The content of questionnaires in the studies will be reviewed by external personnel (ethics

committee and colleagues) which can enhance the quality of the tool.

2.4 The Structure and Detailed Aims of the Thesis

The study of the development of the domestic hotel in Thailand is the core interest of this thesis. It can be considered as an important topic and can be understood in a broader context of the significance of Thai tourism now and in the future. Such research can fill a gap in the literature concerning localised hotel development. The overall aim of this study is to explore issues that influence the development of Thai domestic hotels in Thailand. The following points highlight the important key aims and objectives.

The main research questions are:

- What has been the development pattern of the Thai domestic hotels and what are the issues that have shaped their development?
- What are the issues that are influencing the current development of Thai domestic hotels?
- What will be the pattern of the development of Thai domestic hotels and the likely issues that will influence the future development?

The specific aims of the set of studies are:

1. To trace the development of Thai domestic hotels in Thailand for the last 50 years with the emphasis on their origin and the issues that have shaped their development.
2. To consider the present state of the development of Thai domestic hotel in Thailand and the issues that influencing the current development through the eyes of the hotel operators and the hotel guests.
3. To consider the future of Thai domestic hotels in Thailand and the likely issues seen to be influencing the future, again through the views of two key stakeholder groups.

The way of addressing these questions and aims is to tie these three guiding themes (past, present and future). The structure of the thesis document follows.

2.4.1 Chapter outline

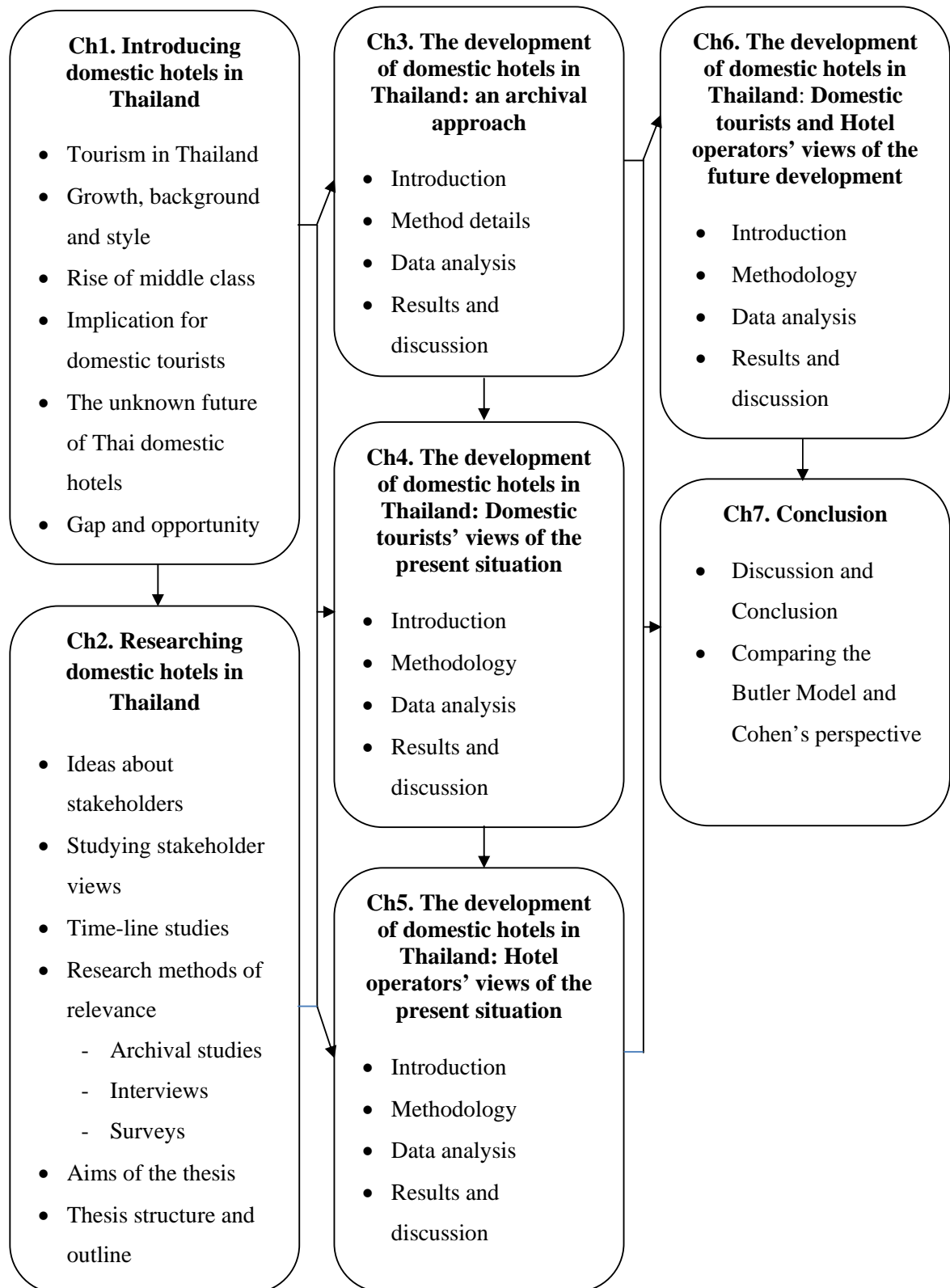


Figure 2. 1 Structure of thesis

Chapter 3 - The Development of the Domestic Hotel in Thailand: An Archival Analysis

3.1 Introduction

Aims of the study

3.2 Methodology

3.2.1 Issues concerning archival research

3.3 Survey Procedure

3.3.1 Locate archival sources and material

3.3.2 Data collection

3.3.3 Materials collected

3.4 Issues Concerning the Time Line Approach and Content Analysis

3.4.1 Evaluation and analyze the data

3.4.1.1 Implementation of qualitative content analysis

3.4.1.2 Implementation of quantitative content analysis

3.4.1.3 Limitation of the study

3.5 Result

3.5.1 1962-1965 The beginning of the hotel development in Thailand

3.5.1.1 Government role

3.5.1.2 Balance of domestic and international hotels

3.5.1.3 Public response

3.5.1.4 Training opportunity or level of human resources

3.5.2 1966-1970 The growing age of development

3.5.2.1 Government role

3.5.2.2 Location

3.5.2.2.1 Chiangmai

3.5.2.2.2 Hat Yai

3.5.2.3 Balance of domestic and international hotels

3.5.2.4 Public response

3.5.2.5 Training opportunity or level of human resources

3.5.3 1971-1980 The Age of opportunity

3.5.3.1 Government role

- 3.5.3.2 Location
 - 3.5.3.2.1 Northeast provinces
 - 3.5.3.2.2 Pattaya
 - 3.5.3.2.3 Phuket
- 3.5.3.3 Balance of domestic and international hotels
- 3.5.3.4 Public response
- 3.5.3.5 Training opportunity or level of human resources
- 3.5.4 1981-1990 A changing of paradigm in the hotel industry
 - 3.5.4.1 Government role
 - 3.5.4.2 Location
 - 3.5.4.2.1 Hua Hin and ChaAm
 - 3.5.4.2.2 Nakhon Rathchasima
 - 3.5.4.2.3 Samui Island
 - 3.5.4.2.4 Mae Hong Son
 - 3.5.4.3 Balance of domestic and international hotels
 - 3.5.4.4 Public response
 - 3.5.4.5 Training opportunity or level of human resources
- 3.5.5 1991-2000 The consequences of the development of the hotel industry
 - 3.5.5.1 Government role
 - 3.5.5.2 Location
 - 3.5.5.2.1 Phaghan Island
 - 3.5.5.2.2 Narathiwat
 - 3.5.5.2.3 Rayong
 - 3.5.5.3 Balance of domestic and international hotels
 - 3.5.5.4 Public response
 - 3.5.5.5 Training opportunity or level of human resources
- 3.5.6 2001-2012 The continuing consequences of the development of the hotel industry
 - 3.5.6.1 Government role
 - 3.5.6.1.1 The impact of 9-11
 - 3.5.6.1.2 The impact of SARS
 - 3.5.6.1.3 The impact of Tsunami
 - 3.5.6.1.4 The opening of the Suvarnabhumi Airport
 - 3.5.6.1.5 The political instability in Thailand

- 3.5.6.1.6 The development of E-tourism
- 3.5.6.2 Location
 - 3.5.6.2.1 Phuket
 - 3.5.6.2.2 Pattaya
 - 3.5.6.2.3 Khao Yai
 - 3.5.6.2.4 Hua Hin
- 3.5.6.3 Balance of domestic and international hotels
- 3.5.6.4 Public response
- 3.5.6.5 Training opportunity or level of human resources

3.6 Conclusion and Discussion

- 3.6.1 Reaction of the host/ residents' to the development of domestic hotels

3.1 Introduction

This study was conducted to analyze the trajectory of the development of the domestic hotel in Thailand for the last 50 years. The work examines the factors influencing the transitions and changes. As noted in the previous chapter the development of the overall hotel industry in Thailand has emerged since the growth of tourism in the late 1960s. Chon et al. (1993) found that in line with the expansion of the tourism sector, there has been a corresponding boom in the hotel industry in Thailand. The established hotels that were built in the early period were often of an international standard and responded to the rest and recreation demand.

More recently, in the growth of tourism industry in Thailand, a new type of lodging in Thailand has emerged as a response to the changes in demand. Tourists now seek more private and intimate experiences of beauty and the sublime (Saknarong, 2009). Instead of being guests at traditional hotel chains, many tourists are seeking new personal experiences from unique accommodation as well as distinctive activities from the surrounding destination and attractions. Additionally, Kaosa-ard et al. (2001) argued that not all established accommodation has been constructed for the growth of the international tourist market and the domestic tourist is also being served. These observations raise several unanswered questions. What has been the pattern of hotel growth in Thailand in terms of international hotels and domestic hotels? How has this pattern of development changed over time and what is influencing the change? Some points of particular interest in this study are that in the Thai setting there are changes among the middle class. The values of Thai society, are shifting and, arguably, Thai culture is changing. The effect of these cultural and economic changes on the evolution of Thai hotels has not been systematically documented is in relation to tourism development in this national context. This study attends to these concerns. Most of the previous research has been conducted on either the development of international hotels or alternatively specialist accommodation options. Few studies have considered the growth of the domestic hotel and how it has contributed to the tourism industry.

In this study archival research is used to review hotel development and a timeline approach is employed to show the key incidents shaping the development of the domestic hotel. In terms of data collection, libraries of universities and government offices that provide sources of data were located. Seventeen faculty libraries of universities were consulted as well as a number of government libraries including the national library, library of the Tourism Authority of Thailand, and the library of Thailand Tourism Development Research Institute.

The research questions of the study were;

- What has been the pattern of hotel development in Thailand?
- What role has the domestic hotel in Thailand played in the development of Thai tourism in the last 50 years?
- What are the influential and transitional factors which have influenced the development of domestic hotels in Thailand?

To answer the research questions, three specific research aims were developed;

1. To provide an overview of the development of hotel industry in Thailand
2. To explore the development of the domestic hotel in Thailand during the last 50 years
3. To document the influential and transitional issues which have influenced the development of domestic hotels in Thailand for the last 50 years

3.2 Methodology

3.2.1 Issues concerning archival research

Based on the research questions outlined above, the researcher employed archival research in this study. As the study is concerned with the dynamics of both the hotel and tourism industry in the past, using archival data is a suitable method since it is frequently employed to analyze and explore historical concerns (Roe, 2005). Roe noted that archival research methods enable researchers to get as close as possible to what actually happened during an historical event or time period. In its most classic sense, archival methods are those that involve the study of historical documents, which were created at some points in the relatively distant past. This source material provides access that researchers might not otherwise have to the organizations, individuals, and events of that earlier time (Roe, 2005). Sutton and David (2004) have noted that secondary sources are existing data sets which present interpretations and summaries of knowledge. Thus, the major methodological task of this study was to collect archival materials and using these resources outline the pattern of the development of the domestic hotel in Thailand.

It is worth noting that there were several advantages of using secondary data from archives in the study (Hill, 1993). First, secondary data are available to a large number of scholars allowing for replication and validation studies. Secondary data sourced from archives can be more objective than even primary survey data because they may be free from bias by respondents who are close to the phenomenon of interest. A third advantage is that researchers can use secondary data from surveys and censuses, to address questions or test hypotheses yet not unintentionally bias their data collection to meet their goals. This enhances the credibility of the study because it avoids biases from the researchers by using secondary data alone or combining such material primary data (Kiecolt and Nathan, 1985).

As this study is concerned with archival materials, the researcher had to initially consider carefully what types of data sets should be collected to address the research question. Robert (1990) suggested that all researchers need to exert great care in deciding which objects and archives deserve the researchers' time. Few archives have

materials that are specifically designed to answer research questions (Flick, 2009). Based on the objectives of the study, researchers have to gather together a rich canvas of objects to be collected, such as clippings and statistical data. Cooper and Schindler (2004, p.145) pointed out that archival materials for conducting research often include published documents prepared by authors outside the sponsoring or key organization. Additionally, Roe (2005) noted that archival sets of data can be created by participants who rely on other parties for their information. As a result, issue of data quality and trustworthiness arise when accumulating archival records.

Material in archives including libraries of universities as well as government and private libraries represented the most significant source of secondary data for the tourism industry in general. Although there were plenty of sources about the tourism industry of Thailand in these locations, original searching and retrieving of documents were needed for the hotel based business research. While government libraries always have many reserves of data that can be helpful to researchers, it proved difficult to obtain some physical records due to confidential concerns. In the world of commercial hotels and hospitality, locating archival data can be challenging as researchers are not often allowed to access the older secondary data sets (Jennings, 2010). As a result, the researcher effort has been built on many newspaper and business hotel trade reports as well as news items from tourism authorities.

Once the researcher has collected the data, it is vital to assess quality. Johns and Lee-Ross (1998) pointed that quality of the collected materials are likely to affect the rest of study. Importantly, Scott (1990) has suggested criteria for assessing and selecting document for research; authenticity, credibility, representativeness and meaning are key bases for selecting material (see chapter Two for a review). It is helpful to assess whether the document is an original report or recorded by someone who was not a witness to the incident or event (Scott, 1990; Johns & Lee-Ross, 1998). If it is possible to access this information, the clearance of omitting or misinterpreting data might be reduced. Before analyzing the data collected, the researcher can also compare different versions of the existing materials in order to check for errors or variations. Further, Finn et al. (2000) suggested that existing documentation should be critically reviewed to assess the appropriateness of the data for their intended use.

While secondary data enable researchers to re-examine tourism phenomenon, one must be mindful that at times the data status are not as reliable as other sources (Jennings, 2010). As Fin et al. (2000) pointed out some secondary data have been collected for a particular purpose and may not be neutral or in the form the researcher would like them to be. For example some official statistics of Tourism Authority of Thailand were generated from social surveys, some were collected during a process of business registration. Both suffer from problems of reliability and validity (Church, 2001). This has led Ryan (1995, p. 128) to conclude that tourism statistics are actually notorious for being subject to quite significant levels of error. On the other hand, Veal (1992) argued that there has been little dramatic variation in the findings of the various surveys and reports over the years and the problems of data reliability can be exaggerated.

A further researcher concern with employing data from archives in this study included interpreting and translating the content of the documents into English. As Flick (2009) pointed out the practical problems of using document research may be misunderstanding about the languages, abbreviations, codes, and references. It was essential that the researcher has directed association and interaction with the data in order to be able to clarify its meaning (Altinay & Paraskevas, 2008). In this stage the researcher can rely on his or her own experience, knowledge, and attitudes to interpret the contents of documents and provide a full picture of the topic area. Usunier (1998, p. 179) suggested that when different languages are used by researchers, informants, clients or evaluators of research, translation is supposed to lead a equivalent meaning. In addition, Altinay and Paraskevas (2008, p. 180) claimed that cross-cultural issues must be addressed in order to be able to interpret and translate the findings and reflect an accurate picture of what happens in different country contexts. Therefore, it was important for the researcher to visit the source locations and to clarify the differences and similarities of meaning in terms of the cross-cultural issues when interpreting and translating the documents for the study.

3.3 Survey Procedure

The archival research of this study was conducted from 16 December 2011- 7 March 2012, the following steps were taken.

3.3.1 Locate archival sources and materials

The major task of this procedure was to locate and gather archival sources related to the development of the hotel industry in Thailand. This was done by surveying secondary literature and primary data record by tourism scholars within bibliographies. Cooper (1998) noted some archival data included both primary and secondary data. Websites of the established libraries and available database related to the hotel and tourism industry were explored and validated for credibility. Shekhar (2005) pointed that it is common that one may have a good computer system yet still not be successful is getting the right archival information. It was necessary to recognize whether websites or databases were still available for the valid investigation (Sillince & Brown, 2009). Informal channels were employed by contacting experts and private sector personnel who might know about possible sources of secondary data, images or internet sources of internet (cf.Jennings, 2010). The researcher located several sources of archives where it was likely that specific types of document and topics could be collected. As a result, an itinerary involving visits to the main established libraries in Bangkok was then devised to search these different types of archive. After gathering the documents the researcher used content analysis to analyze the data and a timeline approach was adopted to highlight ongoing changes in the hotel industry.

3.3.2 Data collection

After the researcher located the archival sources and materials, an outline of the types of materials and topics to be collected was formulated. Material in the study comes from a variety of sources and location (Cooper & Schindler, 2011). Primary sources in this study included published and unpublished documents as they are the only surviving record of the words, thoughts, and feelings of people in the past (Neuman , 1997). Fin et al. (2000, p. 140) pointed that primary data is original material generated

from research using techniques such as surveys, interviews or observations. In contrast with primary data, secondary data is originally collected or left behind at an earlier time by different person (Johnson and Christensen 2004, p. 192). Secondary data in this study were actually in the form of books, magazines, journals, websites, newspaper, newsletters, reviews, report or theses of post graduate students. Within primary and secondary data survey at the established libraries, the researcher addressed the topics related to the research questions and used several search engines to locate archives, such as google, online public access catalogue of universities links, online catalogue of main libraries. In addition, keywords were specified which characterized areas of research. As Bryman (2008) suggested seeking out websites or a topic by using very precise keywords can be effective in complex search.

3.3.3 Materials collected

Based on the itinerary, the National library was initially accessed and searched because it was the largest repository of archives in Thailand. A further 17 main libraries were then accessed and were visited to provide material for the study. Different libraries keep archives in varied types of databases. A total of 90 days was spent by the researcher accessing databases and using microfilms to trace the existing secondary data in the established libraries. Johnson and Christensen (2004) have pointed that the time and effort to access archival material depends on how systematically the data were collected and organized. As a result, prior to data collection, the head of each library was consulted to facilitate the study and explain how to access the database before the researcher commenced work. At the national library some archived materials included census data and tourism research data stored and kept by researchers or research related to the industry, including the Tourism Authority of Thailand. Archival data at the National library were not all available to users. Archives in the other established libraries were available to the researcher but all of them were kept on microfilm.

According to the aims and research questions, the determined period of interest to be documented was the last 50 years. That is 1962-2012. Data collection from the fieldwork consisted of 55 Journals, 68 magazines produced by the Tourism Authority

of Thailand, 35 dissertations of Post graduate student from both private and public universities, 32 magazines and 40 topics from newspaper published by business and industry. Additionally, 32 related websites were chosen for investigation in the study.

3.4 Issues Concerning the Time Line Approach and Content Analysis

The researcher applied a time based approach to the content analysis of the data. Using content analysis enables researcher to analyze texts, books, films, concepts of society and culture. Druckman (2005, p. 257) noted that content analysis techniques help to organize the material systematically for both time-series and comparative analyses. This technique also enabled the researcher to analyze and compare the content of communication products in several settings. Content analysis can be a method for a researcher to analyze messages in the media, including published articles in magazines, speeches delivered by politicians on radio or various forms of advertising and propaganda (Coolican, 1994). Additionally, Hsieh and Hsieh (2005) claimed that content analysis can be analysis of a chronologically told story with a focus on how elements are sequenced and how forces have shaped the perception of the past, present and future. Using these ideas, the task for this study was to interpret and identify core consistencies and characteristics of the pattern of the development of the hotel industry in Thailand. In order to make sense of some of location information presented in the following regions, such as Prachaup Khirikhan, Chonburi and Nakhon Ratchasima, where represented the origin, the development and the growth of domestic hotels. Figure 3.1 presented a map of Thailand and the regions that are being studied.



Figure 3.1 Map of Thailand

As already suggested, content analysis allows researchers to explore a wide variety of data and types of analysis. In this study most data collected were in the form of secondary data as outlined earlier. Weber (1990) pointed that researcher needs to develop special key text within these documents which relate to the purpose of the research. There are two types of content analysis to consider: conceptual and relational components. Robert (1990) noted that conceptual analysis involves the quantifying and tallying of key themes. The examples of information which were developed in this conceptual analysis included Thailand tourism statistics hotel growth and facts about Thai culture and society.

On other hand, the focus of relational analysis is to look for semantic, or meaningful, relationships. Relational analysis can also analyze concepts present in a given text or set of texts. In the present work explanations for change or suggested causes for development contribute the relational element. However, Shapiro and Markoff (1997) noted that relational analysis goes beyond presence by exploring the relationships between the concepts identified.

This step involves identifying themes, categories and properties for the analysed data. At this stage, the researcher makes inferences and presents meanings derived from the data. The activities may involve exploring the properties and dimensions of categories, identifying relationships between categories, uncovering patterns, and testing categories against the full range of data (Bradley, 1993). This was a critical step in the analysis process, and its success relies on reasoning abilities. After coding and assessing the reliability and validity of the coding procedure, further analysis, interpretation and reporting of the findings takes place within the framework of the hypotheses or research questions (White and Marsh, 2006). A variety of statistical techniques can be employed. These range in complexity and demand different scales of measurement for the variables and were also subject to the nature and completeness of the data. Social environmental and intellectual capital reporting studies typically employ descriptive approaches, cross tabulations and correlations (Campbell, 2004).

3.4.1 Evaluation and analyze the data

Once the researcher collected the data, the next step was to evaluate and analyze the data. The researcher assessed how well the data collected addressed the questions of the study (John & Lee-Ross, 1998). A comparison of the available secondary data at hand consequently allowed the researcher to assess whether the collected data was sufficient or redundant. As a result, the researcher carefully reviewed the data collected during the 90 days (Neuman, 1997). It was decided that while some material repeated the same information this redundancy had the positive value of being able to check some points. There did not seem to be any more existing records which would have helped answer the study questions. In this sense the concept of “saturation” was considered to be applicable to the resource (cf. Krueger & Casey, 2000).

3.4.1.1 Implementation of qualitative content analysis

The implementation of qualitative content analysis technique involves a process designed to condense raw data into categories or based on valid inference a (Zhang & Wildmuth, 2009). LeCompte and Schensul (1999) considered qualitative content analysis to be a procedure to reduce a large amount of data to a story and its interpretation. Consequently, this study adopted steps of qualitative content analysis proposed by Berge (2007) approach to evaluate data of the study. Figure 3.2 presented the steps of qualitative content analysis.

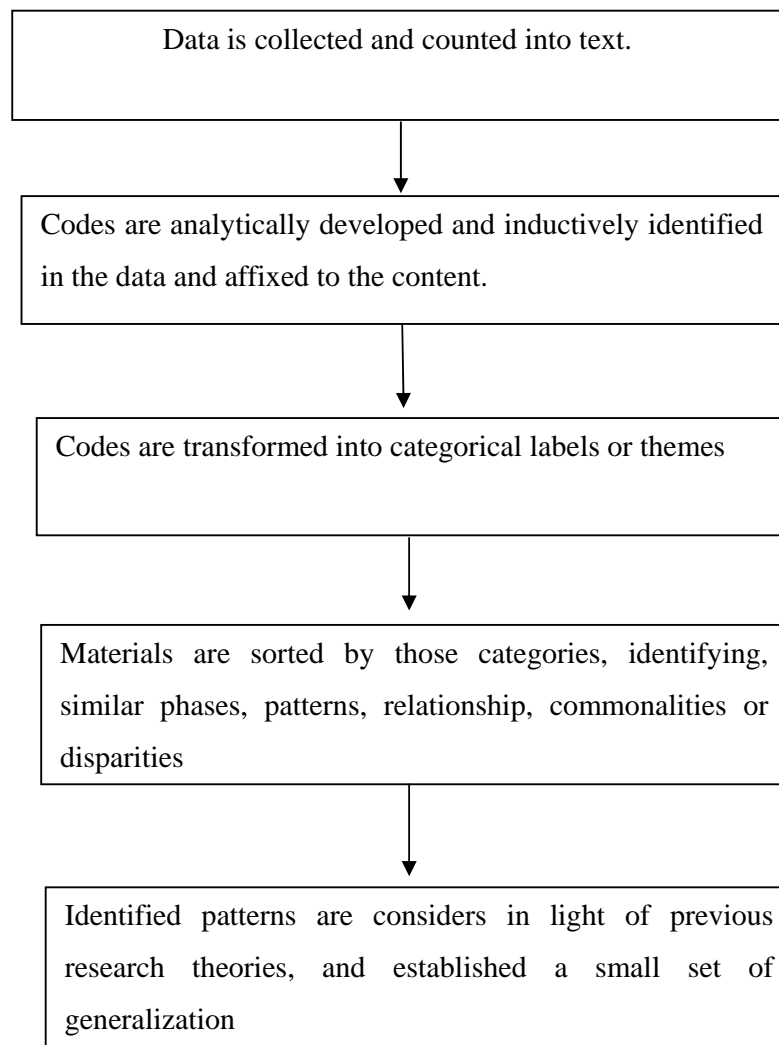


Figure 3.2 Steps for data analysis

As a researcher selects this step of analysis, it is important to realize each step will influence on procedures of analysis and criticise because of apparent subjectivity (Decrop, 2004). The process can take long time, however, the researcher can continually reflect, analyze and then adjust the inference. Pieces of data need to be carefully considered and organized in such a way that eases ongoing analysis (Cresswell, 2009). This process of analysis involves making sense out of data recorded in text or image. During the evaluation, researcher might consider the approach that enhance validity of the findings proposed by (Lincoln & Guba, 1985) in Table 3.1.

Table 3.1 Validity of the approach

| Validity items | Specific approaches |
|-----------------|---|
| Credibility | Careful coding and interpreting at the data analysis stage. |
| Transferability | Codes and themes were applied to other Thai tourism studies. |
| Dependability | Inclusion of digital archival materials, making them more update. All information in Thai were converted into English after completion of revision |
| Confirmability | Cross checked codes by asking experts and a third party from in Thai Hotel Association. Validate the information with other archival sources, such as magazines, journals, review, newspaper, thesis |

3.4.1.2 Implementation of quantitative content analysis

While qualitative methods are sensitive to allow the detailed analysis of change, quantitative analysis enable researcher to assess a change that has occurred over time (Cassell & Symon, 1994). The aim of quantitative content analysis in the study is to help researcher to interpret meaning from the numeric text and deal with duration, frequency of word, themes and categories (Smith, 1975). As a result, the focus of the study employed the steps of using quantiaive content analysis followed by (White & Marsh, 2006, p. 30) to evaluate the data. The quantitative content can be described as following;

1. Establish hypothesis
2. Identify appropriate data (text or other communicative material)
3. Determine sampling method and sampling unit
4. Draw sample
5. Establish data collection unit and unit of analysis
6. Establish coding scheme that allows or testing hypothesis
7. Code data
8. Check for reliability of coding and adjust coding process if necessary
9. Analyze coded data
10. Write up results

In the analysis, the quantitative content analysis procedures served to guide subsequent decision in the methodology (White & Marsh, 2006). The procedures were chosen due to highly flexible research strategy and widely used in documentary research. However, not all procedures have been applied in the study but decision about using some techniques are made in the planning phase of the research. Andriotis and Vaughan (2003) supported that quantitative research in the tourism studies are served by two different styles. First, there are empirical studies applying statistical techniques without actually being linked to theory. Second, there are studies that, apart from measuring attitudes, also test and develop theory. As the statistics data was a part of this study, studies using the first approach are more frequent than those using second. More importantly, the quantitative content analysis required process to verify the valid of the data. The verification process of this study is usually linked to the theoretically valid protocol: first, identifying the purpose of the coding data, second, identify behaviours that represent the construct, third, developing guidelines for administration, interpretation of the coding scheme (White & Marsh, 2006, p.8). White and Marsh supported the view of the research that these processes could sensitize researchers to the tendency of data collection and analysis procedures to drift from the descriptive into the inferential and alert to the significance of this shift. Consequently, this process represents a challenge for the researcher to analyse and evaluate data where materials written in Thai and required ability to translate into English.

3.4.1.3 Limitation of the study

Beck (2003) noted the common challenges that researcher make in analysing data. These challenges include data shuffling, premature closure, and overly delay closure. Beck explained that it is easier for researcher to sort data than to move through the process of analysis and interpretation. Typical pitfalls that the researcher found in this study were related to closure, such as when the researcher stops collecting the archival materials before all categories are saturated or before enough data are collected. Beck supported the view of this study that the analysis of data is complex and requires that data be organized and reorganized, presented and represented. As a result, researcher needs to realize when to quit collecting data and concentrate on simply analysing collected data is determined by the researchers' having exhausted sources saturation of categories, emergence of regularities in the data and over-extension (Lincoln & Guba, 1985) .

One of the problem that researcher found when analysed the archival materials was that the narrative data is general not linear, and paragraphs from transcribed data may contain elements relating to several categories (Dey, 1993; Polit & Beck, 2004). According to Glaser (1978) tolerance of feeling uncertain is required. The assumption that content analysis is an easy method can mislead researchers, and unexpected difficulties may arise during the analysing process (Glaser, 1978). To resolve the situation, researcher needs to verify the reliability and validity of the categories.

Another limitation of this study was that Authentic citations. The authentic of citation increased the validity of the research and demonstrated readers from where the original data categories are formulate (Patton, 1990; Sandelowski, 1993). There has been some debates about the suitable amount of authentic citation. If there are more citations than authorial text, then the analysis process is usually incomplete. In practice, the researcher overcome the challenge by making sure that informants derived from the analyze are not identified by quotes from the data or other authors (Ford & Reutter, 1990).

Regardless of the 'quality' of data, the collected data can be overwhelming (Miles & Huberman, 1994). Hundreds of pages of data can lead the researcher to think that it

cannot be managed. Additionally, many interesting points which are not related to the topic under study always come up when analysing the data. In this case, keeping the research question in mind is an essential aspect of researcher to complete the analysis. Even in the middle of chaos, the researcher must always be able to go back to the research tasks and only look for units of analysis that have relevance to them.

The following results section uses a timeline to report the conceptual and relational themes built on the consistent use of the government role, the balance of domestic and international hotels, the public response to the developments, the human resource issues and at times place based special themes.

3.5 Results

3.5.1 1962-1965 The beginning of the hotel development in Thailand

3.5.1.1 Government role

The foundation of the hotel industry in Thailand was initially limited to a few Thai tourists who traveled to the holy places to make merit at the Thai temples (Jarusawas, 1965). Roads and railway were the only means for the transportation. The roads and railways at that time were not adequate and efficient enough to travel to another region in one day. Most Thais primarily preferred to stay at their relatives' home or temples even though there were hotels along their route. Jarusawas (1965) noted that hotels at that time were perceived negatively and were improper places for Thais to stay overnight. It can be assumed that the poor hotel image was related to prostitute services and brothels.

According to the Ouyanont (2001) Thailand was recognized by the American military personnel as a leading rest and recreation (R&R) destination in 1962. This is related to the work of Li and Zhang (1997) and Higham (2000) who supported the views of this study that the phenomenon of R&R trips (rest and recreation) for American soldiers' to Thailand during the Vietnam War (1962-1975) resulted in a booming of Thailand's tourism development. As a result, the government under Field Marshal SaritThanarath realized that the hospitality and tourism industry generated revenue for the country.

With the success and growth in number of international tourists, the government established the Tourist Organization of Thailand (TOT) in 1962 with the aim to provide support and guidance to the travel and hotel industry. The TOT was renamed “Tourism Authority of Thailand” (TAT) in 1979. Through the support of TAT and the government, the first airport was established and catered for domestic and 31 international commercial flights. The airport also served as regional gate way and connection point for tourists in South East Asia.



Figure 3. 3 Royal Ceremonial Barge in 1962

3.5.1.2 Balance of domestic and international hotels

The early reports from TAT found that the growth of tourists to Thailand was only about 30% to 70% of that of neighboring countries, such as Malaysia and Singapore. Between 1960 and 1964 there were about 55 hotels under the support of the government. The total of hotel rooms in Bangkok increased from 959 in 1960, to 1,843 in 1963, 2,634 in 1965 (Hunchangsith, 1974). The figure included hotels for which statistics were not available as well as the hotels that opened during this period. When tourism became a national strategy in generating income through bringing more international tourists to Thailand, it also lead to increasing pressure on the Thai hotel industry. Both five star rated hotel and economy hotels did provide facilities, including rooms for conventions and conferences and swimming pools, snack bars, coffee shops, shopping centers, barber shops as well as additional service facilities

(Changrien, 1976). However, at that time there were no quality hotels that met the international standard and the promotion of the hotels was limited. There were only two hotels in Bangkok which were widely regarded by tourists as five star hotels, the Erawan and the Oriental hotel (Jarusawas, 1965).

3.5.1.3 Public response

The development of the hotel industry was welcome by the sophisticated market of upper income Thais and foreigners. There is much evidence that supports this finding. For example, Jarusawas (1965) revealed that the Thai upper class was the first group to experience and enjoy the established five star hotels. Meeting places, at that time known as clubs, and luxurious restaurants were added in the established hotels in Bangkok and found their way to Thai society. Consequently, holiday resorts in major attractions also began to build full set of facilities and amenities in order to attract Thai people from high society and international tourists (Jarusawas, 1968). These western tastes were well known among Thai high society and influenced their life style whether working or resting.

3.5.1.4 Training opportunity or level of human resources

While the government encouraged investors to invest in the hotel businesses, these investors had no knowledge of hotel operations and management in practices. This led to the hotel industry developing slowly. At that time the shortage of hotel experts was the critical concern for the hospitality industry. Hiring an international manager was one of the solutions for the five star hotels. The skill that five star hotels needed from expatriates included food service management and room management skills. These skills were essential for success in the hotel industry. Jarusawas (1968) added that the Thai hotel industry gained from hiring these international managers in terms of improving intercultural training programmes and knowledge based on their international experience. This is consistent with the work of Changrien (1969) who supported the views of Jarusawas that the training program in the hotel was vital to enhance the quality of international service, and therefore retain and attract international customers. It could be said that hiring international managers constituted

the core economic driver at this time for the development of the hotel industry (Jarusawas, 1965).

3.5.2 1966-1970 The growing age of the development

3.5.2.1 Government role

The support from the government played significant roles in the development of the hotel industry of Thailand. The government recognized that tourism was first and foremost a major means of generating income to the nation. Angkawani (1968) demonstrated how the government supported both foreign and local companies to invest in the hotel business. There were various incentives from government to the private sector to build hotels in Bangkok and other provinces to meet the requirement of international standards. For example, the government exempted hotels from taxes for importing construction materials and equipment, as well as providing a favourable tax regime for income derived from the revenue for the first five years after starting the business.

As a result, new five star rated hotels were established in Bangkok and near major attractions. Apart from Bangkok, Chiangmai and Hat Yai were the major attractions where the five star hotels were mostly established in response to growth in number of international tourists. A brief review of the growth of the tourism business in these two regional areas helps built the understanding and highlights hotel development throughout the country.



Figure 3. 4 American Army and personnel Thai women in the Northeast of Thailand in 1967

3.5.2.2 Location

3.5.2.2.1 Chiangmai

The support from the government stimulated the development of the hotel industry in Chiangmai. Hunchangsith(1974) pointed out that the government realized the importance of the tourism industry to generate income in Chiangmai. Jarusawas (1968) added that the government expected Chiangmai to be another attraction that attracted large numbers of international tourists. Consequently, the TAT office was established in Chiangmai province in January 1968 and sought to assist local government and the private sector to develop the tourism and hotel business in Chiangmai and Northern provinces (Jarusawas, 1968). Later three to five star rated hotels were established in Chiangmai and Northern provinces in response to the growth in number of tourists. This led to Chiangmai becoming a host for a Pacific Asian Travel Association conference in 1970.



Figure 3. 5 Hotel in Chiangmai in 1968

3.5.2.2.2 Hat Yai

Advances in Thai infrastructure and transportation had a significant role in the development of the hotel industry in Hat Yai. The improvement of infrastructure and transportation in Hat Yai resulted in locating Songhla province as the central hub of the railway system connected to other attractions in the South and Malaysia (Maliphan, 1970). There was much evidence in the archival sources that validates this point. For example, Jaruswawas (1968) supported the views of this study that there were increase in number of domestic tourists (75%) and international tourists (25%) in Songhla province after the infrastructure was improved and connected to the airport. Maliphan also stated that seven five star rated hotels were built in Hat Yai which included the President hotel, the Metro hotel, the Laemthong hotel, the Yongdee hotel, the Train hotel, the King hotel and the Samila hotel.

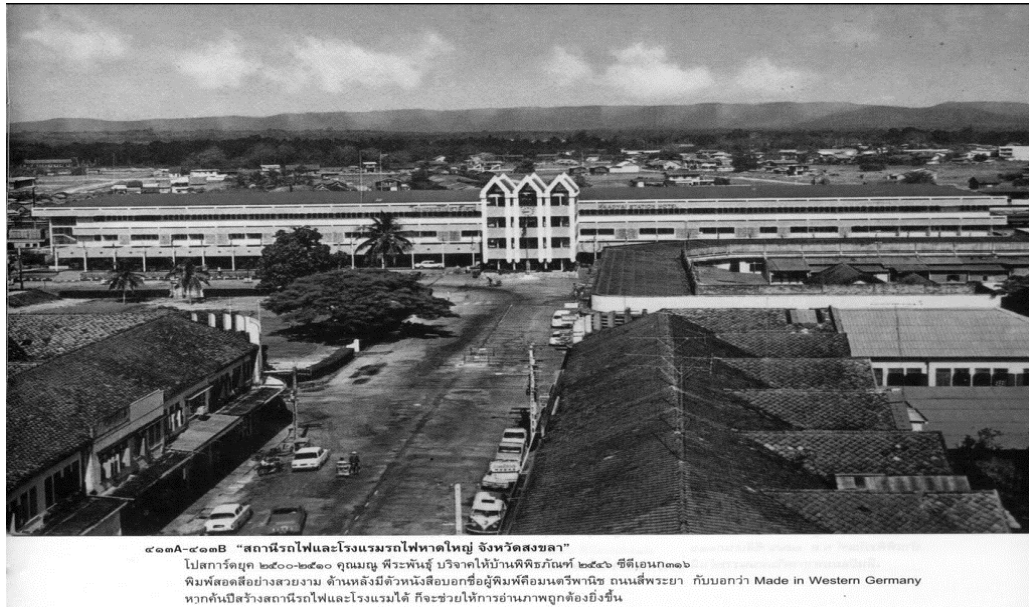


Figure 3. 6 Train station and hotel in Hat Yai picture taken in 1968

3.5.2.3 Balance of domestic and international hotels

After the government supported the private sector to invest in five star hotels in Bangkok and near major attractions, there were increases in the numbers of international tourists to Thailand (Jarusawas, 1968). At that time it seemed that five star hotels in Bangkok were recognized by international tourists almost as attractions themselves. This was because of friendly services, luxurious facilities and good quality customer service (Pakdeepaduangdaen, 1967). These hotels were the Siam InterContinental hotel, the Rama Hilton hotel, the Erawan hotel, the Sheraton hotel, the Intra hotel, the Dusit Thani hotel and the Oriental hotel. The consequence of the improvement of service quality in Thai five star hotels resulted in stimulating domestic hotels to improve their properties to meet the demand and taste of international tourists (Maliphan, 1970).

3.5.2.4 Public response

Since most five star hotels were recognized by Thai upper class and international tourists, the second class or domestic hotels appealed to middle class domestic tourists. The middle class domestic tourists began to experience the western taste and

life style without a stigma, especially having stayed overnight in the hotels and having meals in a western manner (Jarusawas, 1968). As a result, accommodation in several attractions emerged to suit these tourists. This is supported by the work of Maliphan (1970) who suggested that there were about 47 hotels or 75% in Hat Yai in 1970 which were established and aimed to serve the growth in number of tourists. Moreover, Jarusawas (1968) noted increases in several types of local accommodation in the Northern provinces, such as Maehongsorn, Chiangmai, and Lampang in response to growing numbers of domestic and international tourists.

3.5.2.5 Training opportunity or level of human resources

The support of the government in establishing training program resulted in developing the Thai hotel industry. Jarusawas (1968) argued that the government realized the importance of hotel staff as a significant key for success in the hotel industry. As a result, the government and TAT coordinated to organize training programs for the hotel business in Bangkok and key areas. The training program was initially established to promote the development of skills, knowledge and expertise for hotel industry personnel to meet international standards and respond to the need of tourism businesses (Maliphan, 1970). The tourism magazine stated that the first training courses for hotel and restaurant employees established by TAT since 1966 rotating in the various of the country so as to improve the quality of services by hotel and restaurant employees to a higher standard. The consequence of organizing the training benefits the development of the hotel industry.

3.5.3 1971-1980 The age of opportunity

3.5.3.1 Government role

Through the support of the TAT, Thailand became internationally competitive (Tourism Authority of Thailand, 1998). Chatkaewnapanon (2011, p.103) supported that the government at that time sought to provide an extensive development process at national, provincial and locals levels in response to the growth of tourism. Later the government integrated the development of the tourism industry into the Fourth

National Economic and Social Development Plan (NESDP) 1977-1981(Phongpaichit & Chiasakul, 1993). The established plan partially aimed to highlight the development of tourist attractions, infrastructure and facilities for the main tourist destinations around the country. Consequently, the attractions, such as Northeast provinces, Pattaya, Phuket and Samui Island were promoted by the TAT (1998) as the main tourist areas of the country. This is reflected in the growing concerns for the improvement of infrastructure in attractions for other regions.

3.5.3.2 Location

3.5.3.2.1 Northeast provinces

The significant change came to the northeast region when the Thai government supported the American efforts in the area by providing bases during the Vietnam War. The economy of Nakhon Ratchasima, Ubonrathchathani, Udonthani provinces was dominated by the U.S. Army presence (Wilai, 1971). The wealth of the American military provided the stimulus for the tourism development in the Northeast and across the country. This is identified in the work of Hunchangsithy (1974) who highlighted that many tourism businesses, such as bars, nightclubs, hotels and other services were established in order to cater to the American troops.

After the departure of the American Army from the region in the mid 1970's, the tourists who filled the gap after the troops left were domestic tourists. These tourists sustained the growth of hospitality and tourism in the Northeast. Interestingly, Wilai (1971) added that the early development of domestic hotels in Ubonrathchathani, Udonrathchathani, Chaiyapoom and Surin provinces were mainly established to respond to the increases in domestic tourists who travelled to major attractions along the Mekong, Chee and Moei Rivers. However, the development of domestic hotel businesses in the Northeast provinces was only weakly developed due to lack of infrastructure and limited domestic tourist facilities.



Figure 3. 7 The road filled with dust in front of the hotel in Nakhon Ratchasima province

3.5.3.2.2 Pattaya

The rise of the Rest and Recreation (R&R) group from the U.S. presence in the Vietnam War shifted Pattaya from a small and quiet fishing village to famous tourist attraction (Tasanasuwan, 1977). Tasanasuwan stated that fishermen's houses along the beach were replaced by bungalows, hotels and resorts in response to the emergence of the Rest and Recreation group (Tasanasuwan, 1972; Tasanasuwan, 1977). As number of the R&R personnel continued to increase, five star hotels and resorts in Pattaya included the Nipa Lodge, the Pattaya Palace, the Pattaya Beach Hotel, the Ocean View Hotel, the Orchid Hotel and the Royal Cliff Beach Hotel were built (Tasanasuwan, 1977). Ironically, the growth of the R&R group resulted in both increasing tourism activities but also a negative image of Thailand as a destination associated with sexually-oriented recreational pursuits (TAT, 1980).

Later the popularity of Pattaya for both Bangkok residents and international tourists was in part due to easy accessibility and its close proximity to Bangkok. Both domestic and international tourists at that time visited Pattaya for beach activities and also for the night time entertainment. There is much documentary which evidence demonstrates the development of the hospitality industry in Pattaya. Tourism

Authority of Thailand (1980) showed that 405,888 foreign tourists visited Pattaya in 1980. Another important source was the work of Jarusawas (1977) who supported the views of this study that the development of the tourism and hotel business grew up very quickly because of many night life entertainment places. He noted that Pattaya was consequently promoted to be “Pattaya City”.



Figure 3. 8 A night club of Pattaya in 1971

3.5.3.2.3 Phuket

The development of the hotel business in Phuket came late compared to Pattaya. Phuket’s economy was originally based on exports of tin, rubber, and coconut farms. As the price of agricultural products continued to drop, tourism development was then perceived as an alternative form of economic development to replace agricultural and mining activities (TAT, 1980). Although the tourism development of Phuket started in the early of 1970s, the Island did not become an international tourist destination until it was promoted as a major tourism resort in the National Plan of Tourism Development (TAT, 1980). The National Plan of Tourism Development reported that the number of international tourist arrivals rose to 20,000 in 1976. As the number of international tourists continued to increase to Phuket, many hotels and resorts were developed in many locations of the province. Records from TAT in 1990 reviewing previous year reported that the total number of hotel rooms in 1979 was increased to 1,300, half of which were located in Phuket city. As a result, hotels and restaurants had become the largest single sources of employment opportunity in Phuket,

employing 15,968 workers, or nearly one fifth of the island's total workforce (TAT, 1994).



Figure 3. 9 International tourists in Kata Noi, Phuket in 1980

3.5.3.3 Balance of domestic and international hotels

After the departure of the U.S Army, the development of the Thai hotels was dominated by the rise of a broader base of domestic and international tourists. Hotels in several major destinations were developed and improved to attract these tourists. Hunchangcity (1974) stated that several hotels in the Northeast provinces that had been serving the American Army during the Vietnam War were then developed to accommodate domestic tourists. For example, the Kosa hotel, Khonkhaen province, and the Korath hotel, in Nakorathchasma province (Hunchangcity 1974). On the other hand, the established hotels in Phuket and Pattaya attempted to improve service quality and facilities to attract international tourists.

3.5.3.4 Public response

Change in demands and tastes of tourists during this decade influenced the development of domestic hotels. In several major attractions, the established hotels that have been serving international tourists with necessary services were then slightly modified to provide alternative service facilities to attract domestic tourists, such as function rooms, swimming pools and restaurants. This process is documented in the work of Tassanasuwan (1977) who argued that domestic tourists would not stay at the hotels with only necessary facilities but expected to enjoy more in terms of attractions and entertainment sections provided in the hotel. This consequently influenced the

established hotels to adopt the one stop accommodation service concept into the hotel strategy. Tassanasuwan (1977) identified that several domestic hotels were also established and developed in good locations surrounded by attractions and entertainments places, such as cinemas, night clubs, bowling alleys and department stores.

3.5.3.5 Training opportunity and level of human resources

As the tourism industry was still dominated by the number of international tourists, it was an opportunity for the hotel business to improve staff skills to respond to international standards. The establishment of the Thai Hotel Association office (THA) during this decade was considered to be a key success for the Thai hotel industry. Tourism Magazine (1975) claimed that the establishment of the THA office in major locations, such as Pattaya, Chiangmai, Phuket and Khonkaen has contributed to the development of domestic hotels. The importance of the establishment of THA office is evident in writing in the Hunchangcity (1974) and Tassanasuwan (1973).

In response to the growth of the Thai tourism industry, several institutions were established the certificate program in Hotel and Tourism. Phuket Community College or Prince of Songkla University, for example, was established the certificate program in Hotel and Tourism in 1977. This program aimed to provide vocational education consistent with the need of tourism businesses in the southern provinces. Another institution was Hotel and Tourism Training Institute. The institution was established according to cabinet resolution of in 1979 at Bangsaen, Chonburi province with academic and financial assistance granted by the United Nations Development Program (UNDP) and the International Labour Organization (ILO) through the Department of Technical and Economic Cooperation (TAT, 1980). The aims of the establishment of the institution were to produce qualified personnel to work in businesses related to the tourism industry such as hotels, travel agencies, restaurants and pleasure boats.

3.5.4 1981-1990 A changing of paradigm in the hotel industry

3.5.4.1 Government role

Throughout the decade, the government was one of the important influences in stimulating the development of the tourism and hotel industry. There were several projects that had been promoted by the government and significantly accelerated the growth of the hotel industry. One significant project of the government was noted by Chaiyen (1990) who observed that the expansion of roads from Bangkok to the Eastern region had stimulated the development of the tourism and hotel businesses in Pattaya, and Rayong.

Another project that shaped the development of the hotel industry was the improvement of the domestic and international terminal at the Bangkok International Airport. According to Chaiyen (1990) the airport originally accommodated a small percentage of international tourists who transited in flight in Southeast Asia. After the improvement of the new terminal, Thailand became the center of the commercial flights in Southeast Asia and transit flights from Europe, North America, and Middle East. The evidence of the improvement can be found in the work of Kongtakul (1989) who highlighted the increases to 132 flights from Europe and 19 flights from North America. Therefore, the improvement of terminal at the Bangkok International Airport reinforced and accelerated the development of the Thai tourism and the hotel industry.

3.5.4.2 Location

3.5.4.2.1 Hua Hin and ChaAm

Hua Hin and Cha Am districts became the major tourist attractions of domestic and international tourists in the Western Region during the decade. According to the National Economic and Social Development Plan (1982-1986) the potential of tourist attractions Cha-am and Huahin district were high and competitive with other regions

due to easy accessibility and its close proximity to Bangkok. There were several reasons why Hua Hin and Cha Am became significant tourist destinations.

First, due to easy accessibility and proximity close to Bangkok, the opportunity of Hua Hin and Cha Am to grow steadily for middle class domestic tourists was important. Jindanon (1983) reported that more than fifty percent of tourists who visited Hua Hin and Cha Am were residents from Bangkok. Second, Cha Am and Hua Hin had many attractions which attracted tourists such as, Maruekatayawan Palace, Cha Am forest park, Kaotakiab Mountain, Kaosamroi yod park and also night time entertainment places. These attractions were regarded by domestic tourists as being the tourist hot spots (Chutintara, 1983). Third, the attractions of Hua Hin and Cha Am were increasingly convenient due to the improvement of basic elements such as utilities, transportation and roads (Jindanon, 1983; the National Economic and Social Development Plan 1982-1986). Fourth, several types of accommodation developed in these districts, varying from second class to five star hotels. These properties had a mix of facilities in response to requirement of domestic and international tourists.

3.5.4.2.2 Nakhon Rathchasi

Nakhon Ratchasima province can be considered to be the center of the development of the hotel and tourism industry in the North-east province. The influential issue that has made the province a key center is the improvement of Thanarath Road or Road Number 2090 from Bangkok to Nakhon Ratchasima. As a result of this development, attention of the private sector to invest in the hospitality business has been considerable. This outcome is supported by the work of TAT (1990) who observed the growth of the tourism businesses in the establishment of 38 hotels, 35 restaurants, 7 theaters, 15 coffee shops, 7 night clubs, one bowling complex, one boxing stadium and a golf club in the province.

The National Economic and Social Development Plan (1987-1991) reported that the expansion of Road Number 2090 stimulated the development of the hotel and tourism industry in Nakhon Ratchasima province and the improvement of tourist attraction and tourist facilities attracted considerable of tourists to the province. The Planning

Department of the Tourism Authority of Thailand (1990) documented an increase of 49.70 % of tourists who stayed longer at the attractions in Nakhon Ratchasima provinces during 5 years period. The improvement in tourist facilities at the location has resulted in several types of accommodation emerging in Nakorn Ratchasima province, notably in Pakchong, Pimai Pak, Thong Chai, and the Meong Pak district (TAT, 1990). The improvement of infrastructure and tourist facilities has reinforced and accelerated the development of domestic hotels.

3.5.4.2.3 Samui Island

The development of the hotel industry on Samui Island started when a number of international tourists arrived during the 1980's. The government realized the potential of Samui Island to generate income for the tourism industry. As a result, the government identified the improvement of infrastructure project on the island in Thailand's Fifth National Economic and Social Development Plan (1982-1986) Samui Island was designated as a principal town for tourism development. The establishment plan was link with the Master plan launched by TAT which was designed to improve the tourist facilities, such as public utilities including roads, transportation, water and electric supply (TAT, 1990). The very first development projects for the improvement of tourist facilities were initially established in Chaweng Beach (Cohen 1982). At that time tourism contributed income around 30% of the total island revenue (Koh Samui Community Magazine, 2004).

A significant change also came to Samui Island after the development of ferries project from the main land. Wilai (1988) noted that the success of the ferry brought new tourists to Samui Island. According to Ratanakul (1988) the first groups using the ferry were international and middle class domestic tourists. As a result, accommodation on the island was a response to these groups.

3.5.4.2.4 Mae Hong Son

Mae Hong Son province became an important tourist destination in the Northern provinces due to its beautiful attractions and special mountain scenery. At first, there

was limited transportation and few roads allowed tourists access to the province (Jeungwisetpong, 1989). Local people had little awareness about the benefits of tourism. They only focused on agriculture for their livelihood. Maehongsorn province, however, began to attract international tourists due to its adventure activities, such as trekking, and riding elephant.

After the development of the roads and supporting infrastructures in the Northern provinces, a number of significant changes came to Maehongsorn region. Jeungwisetpong (1989) reported that the first group of people who experienced the attractions in Mae Hong Son was the young budget conscious international tourists. Jeungwisetpong stated that eighty percent of international tourists visited the province because of the trekking activities.

Jeungwisetpong (1989) commenting on the accommodations in Mae Hong Son province stated that guesthouses with necessary facilities were initially constructed to accommodate these tourists. In 1986 many guest houses were built by locals in the Pai district and mainly catered for young international tourists. Tienyod (1991) reported that at that time there were approximately 30 established guest houses which included 260 rooms spread over the province.

By 1987 the government and the Tourism Authority of Thailand launched the campaign “Visiting Thailand Year” which aimed to encourage domestic and international tourists travel in Thailand. At that time Maehongsorn province was better known by domestic tourists because of Bua Tong festival. Existing types of accommodation, included guesthouses, bungalows, and a few simple resorts and hotels. Although there were many types of accommodation in the province, it was not enough for all the new tourists, especially during the high season. The opportunity attracted investors from other provinces to develop accommodation businesses in the province. In summary the improvement of infrastructure and the support of the government through marketing stimulated the development of domestic hotels in Mae Hong Sorn.

3.5.4.3 Balance of domestic and international hotels

With the arrival of the Jumbo jets in 1982 and the improvement of the new terminal at the international Bangkok airport, Thailand became the international transit center which connected flights from North America, the Middle East and South East Asia. Consequently, there were growing numbers of international tourists in several locations, such as Samui Island, Phanghan Island, Phuket, Chiangmai, and Maehongsorn (The National Economic and Social Development Plan, 1987-1991). This is consistent with the work of Kongtakul (1989) noted that five star ratings hotels in Bangkok grew from 57 hotels to 66 hotels in 1981 and reached 71 hotels in 1983; and by rooms which increased from 11,927 rooms in 1981 to 14,923 in 1983. Similarly, the increase of tourists significantly stimulated the development of the five stars luxurious hotels and resorts in Phuket (Jeungwisetpong, 1989; Wilai, 1988).

While the international tourists were considered to be a major influence on the development of the international hotels, domestic tourists retained a minority status but stimulated the development of domestic hotels throughout the decade. The National Economic and Social Development Plans (1987-1991) reported the number of domestic tourists in 1987 was approximately 30 million people which increased 20% from 1986 due to the expansion of the Thai economy during the past two years. Moreover, Kongtakul (1989) noted that the “Amazing Thailand campaign” in 1987 had played a significant role in stimulating the development of the tourism industry. Consequently, it encouraged Thai people to spend their own time more on the leisure and hospitality activities.

Another influential issue that shaped the development of domestic accommodation was the improvement at attractions. In this context, the quality of attractions can be seen as including infrastructure, roads, and tourist facilities (e.g., Information services, toilets, and banking facilities). The archival resources consulted in this study support this conclusion. For example, according to Changrien (1989) TAT had coordinated government action in improving the infrastructure in several major attractions. TAT (1990) identified improvements in the quality of services and the upgrade of service facilities for domestic accommodations in the Khao Yai National park, Nakhon Rathchaisima province in order to attract domestic tourists.

3.5.4.4 Public response

As the prosperity of the country advanced by the end of 1980s, the hotel industry witnessed increases in middle class domestic tourists. The growth of Thai economy encouraged Thai middle class to spend on leisure activities and material goods. At that time most middle class had discovered that they could afford tourism-related activities and accommodation in different locations (Kongtakul, 1989). As a result, several tourism scholars have reported the growth of domestic hotels in many locations of Thailand, such as Chiangmai, Maehongsorn, Phuket Island, Samui Island, Hua Hin, and Nakhon Ratchasima province (Chon et al., 1993; Phongpaichit, 1993; Sagnarong, 2009).

3.5.4.5 Training opportunity of level of human resources

Pananon (1990) indicated that the increase of international tourists during this decade rapidly raised the opportunities of the workforces with 558,825 people being employed and revenue generated nationally of 50,023 million Baht. This represented an increase of 34% from 1986. Interestingly, the message derived from the study was that the overall workforce in the Thai hotel industry required training at all levels of the workforces in order to meet the international standards (Pananon, 1990). Wongkomolchet (1989) argued that 22.9% of the workforce received training from their organizations to improve onsite work performance, 19.2% were trained in language skills, and 19.3% trained in services.

As the number of international tourists continued to increase, it put the pressure on the Thai hotels to improve service quality. Training plays a key role in ensuring that the staff is equipped with skills and knowledge required to deliver good customer services. The study found that the improvement of Hotel and Tourism courses from the institution was considerable importance for Thai students. The opportunity in practical knowledge provided by the institution encourages the student to qualify for the industry. As a result, some educational institutes began to include operation and management practices in the hotel and tourism program. For example, the International Hotel and Tourism Industry Management School (ITIM) is the first

education institute in Thailand to train career professionals in English for the hotel and tourism industry.

3.5.5 1991-2000 The consequences of the development of the hotel industry

3.5.5.1 Government role

The consequence of the Gulfwar, an Asian crisis and the Thai political crisis during the 1990s affected the Thai economy and the tourism industry. To respond to the economic downturn, the Thai government emphasized reconstructing their financial sector, stimulating demand, and boosting exports and placed importance on the travel industry for boosting income to the country (Nateprapai, 1992). For boosting the tourism industry, the government and the Tourism Authority of Thailand (TAT) coordinated campaigns to promote the country as a destination for cultural tourism including attractions such as seaside vacationing, historical tourism, the value of numerous world-class hotels and resorts, the appeal of gourmet restaurants, and the overall low prices (Chayasontorn, 2004). Moreover, the Tourism Authority of Thailand (TAT) initiated a series of promotional campaigns to encourage more tourist arrivals "Amazing Thailand" was refreshed a year after the 1997 financial crisis by the TAT. The consequences of the promotion resulted in increasing tourist arrivals from 7 million to more than 10 million in the five years after the onset of the financial crisis.

3.5.5.2 Location

3.5.5.2.1 Phaghan Island

The development of accommodation in Phaghan Island started after tourists explored Samui Island. The agricultural products, such as fishing and vegetables, served mainly subsistence and local needs. At that time, the infrastructure of the island was underdeveloped. Phaghan Island initially emerged as a place for international tourist backpackers because it offered cheap accommodation which required a low level of investment from the locals. Houses and bungalows built from palm leaves and timber were the original approval by local businesses to accommodate tourists (Wongkerd,

2003). Chon and Singh (1994) argued that the local economy was variously based on backpackers, and ageing hippies who together contributed a viable market base for a tourism industry.

The issue of accessibility was one of the obstacles to tourism and hospitality development on Phaghan Island. There were insufficient roads to support an increasing number of vehicles. The poor condition of the roads connecting local communities and tourism hot spots made Phaghan Island difficult for tourism users.

With increasing tourism growth in other major regions, changes extended to Phaghan Island. A ferry project was initially developed to connect with Samui Island. According to Nateprapai (1992) the improvement of ferry service brought many more domestic and international tourists to Phaghan Island. Building on the image of Phaghan Island as a Full Moon Party venue featuring water sports and cultural events, the tourism industry on the island has been developed and attracted number tourists (McDowell, 2000; TAT, 2002). The style of the location led to visits by tourists for extended periods of up to 6 months (Wongkerd, 2003). The destination has been promoted as having many beautiful natural attractions such as waterfalls, hillside temples, and pristine beaches. Consequently, it slowly but surely attracted private sector personnel to invest in the tourism business, such as cars, motorbikes rental, restaurants and accommodations (Nateprapai, 1992).

3.5.5.2.2 Narathiwat

In case of the development of the hotel industry in Narathiwat province, the area of interest is one of the southern provinces where the Thai border is connected with Malaysia. Sungai Kolok district was the economic and tourism centre in the province which accommodated domestic and Malaysian tourists who spent their time shopping during their holidays (Chavajareon, 1996). Most tourists who visited Sungai Kolok also experienced the natural resources and the night time entertainment of the province. As the tourism business in the district continued to grow, the province became better known and attracted many number of tourists.

A significant change came to Sungai Kolok when the train track from Chiangmai province connected to Singapore with the transit station located in Sugai Kolok district. This stimulated the development of the hospitality business in Naratiwas province. The Chavajareon (1996) supported this view noting that there were increases of 55% of domestic tourists after the train track was fully finished. Moreover, TAT reported that domestic hotels indicated an increase in occupancy rates up to 12.5% due to domestic and Malaysian tourists who crossed the border for shopping. This is can be suggested that the improvement of the rail infrastructure in this instance shaped the development of domestic hotels.

3.5.5.2.3 Rayong

In the beginning of the development of the hotel industry in Rayong, many private houses were initially built by groups of middle class who were fascinated by the tropical forest of the Wangkaew district (Prachachart Business, 1992). As the number of domestic tourists grew in Rayong province, several types of the accommodations were developed by both locals and investors from other provinces. Prachachart Business reported that more than 100 bungalows were built at Wangkaew and Banpe district by local people. Later the concept of the “picnic place” was initially added to the established bungalows; the specific additions being kitchen rooms and appliances rooms as required by domestic tourists.

A significant change appeared in Wangkaew, with the expansion of the highway from Bangkok to the Eastern provinces. The consequence of developing of the highway from Bangkok resulted in the establishment of hotels and seaside resorts. These resorts included the Amorn Villa resort, the Rungnap Lodge resort, and the Pakarang Patlodge resort (Prachachart Business, 1992). Additionally, these local accommodations resort later joined international chain hotels in order to expand their market and access capital investment.

After the Wangkaew district was recognized by middle class domestic tourists, Samed Island_ appealed to domestic and international tourists as one of the core attractions in the province. Along with its beautiful tropical scenery and neighbouring islands, Samed

Island offered various opportunities beyond its natural environments for special interest tourism, such as adventurous activities, water sports, bars and restaurants (Prachachart Business, 1992). The island was quite well known to Bangkok residents and international tourists for over a decade before the government improved the ferry service and promoted the island as a restricted national park. Again accommodation diversity was established in response to growing number of tourists to the island.

3.5.5.3 Balance of domestic and international hotels

In this decade, one of the key issues that stimulated the development of the tourism and hotel industry was the promotion of the Amazing Thailand program in 1997. As the program was evolving on, several tourist locations were developed, such as Phuket, Chiangmai and Samui Island (TAT, 1998). Evidence for this expansion can be found in the work of TAT(1998) who stated that the consequence of the Amazing Thailand program in 1997 resulted in tourists growth to Thailand, from 16.7% to 23.6% in that year. The figures continued to grow and create a climate for hotel investment from 1998-2000.

The consequence of the Amazing Thailand Campaign resulted in improving Thai five star hotels. The Dusit Thani hotel, for example fully renovated its property in response to the growth of international tourists (TAT, 1998). TAT (1996) added that the improvement of service facilities of Thai five star hotels shaped the development of the whole hotel industry. One clear example can be found in the work of TAT (1998) who supported the views of this study noting that the Sheraton Grand Hotel Sukhumvit had beautification projects for the lobby area, restaurants and improved the reservation system to facilitate guest management. In terms of improving service quality, the Oriental Hotel Bangkok added the concept “the best value in the service program” in order to meet the needs of international travelers and businessmen (Auejongprasit, 1998).

In line with the improved service of five star hotels, there was a corresponding boom in domestic accommodation (Chon et al., 2001). TAT (1998) noted that the total percentage of domestic tourists who stayed in domestic hotels rose to 52.9% compared

with the international tourists to 47.1%. The National Statistic Department considered the figures of each region and found that more than 50% of domestic tourists stayed in domestic accommodation. Their study found a growing of domestic accommodation operations in many major locations, such as Samui Island, Phangan Island, Rayong, Chiangmai and Maehongsorn provinces. Moreover, the National Statistic Department suggested that different domestic tourists had varied preferences in choosing types of domestic accommodation. As a result, the improvement of service quality was likely to be the influential issue that shaped the development of domestic hotels.

Additionally, another influential issue that stimulated the development of domestic hotels was the policy of the government. During the Asian crisis, the hotel industry of Thailand shifted its interest from international tourists to domestic tourists. Dr. Satit Potiwihok, a minister of the office of the Prime Minister, stated in Tarnsejtkit business 1993 that domestic tourists were regarded as having a high potential that would contribute to the Thai economy and the tourism industry of Thailand (TAT, 1998). As a result, the strategies of most local hotels shifted and primarily considered the domestic tourist as the priority group. Chayasontorn (2004) reported that the local hotels in Bangkok and across major locations promoted special packages in order to attract domestic tourists. The Rose Garden, for example, a three star rates hotel owned by Thai people, had attracted domestic tourists by promoting their conferences rooms and guest room packages (Chavajareon, 1996). Prachachart business (1992) pointed out that the Imperial Hotel Groups succeeded in developing service strategies and expand their properties in many major locations. Similarly, the Sima Hotel in Nakhon Rathchaisima province adjusted its strategy in response to requirement of the domestic tourists.

3.5.5.4 Public response

Like other countries, Thailand faced the economic crisis, and Thai domestic accommodation adapted strategies to survive and sustain their growth. One clearly strategy adopted by most domestic hotels was to concentrate on and emphasize the requirement of their domestic tourists. Most middle class domestic tourists were regarded as having a high potential for consuming some luxurious products and spend

their time in leisure activities. The shifting of middle class preferences toward using service of domestic hotels would impact on the future development of Thai hotels and consequently put a lot of pressure on the development of hotel chains (Funatsu & Kagoya, 2003). As the trend kept going on, it became the major sources of revenue and dramatically changed the development of the hotel industry.

In response to the growth of domestic tourists, there was investment in several boutique hotels and resorts in major locations near Bangkok, such as Khao Yai National park, Hua hin and Pattaya districts. These domestic accommodation resources became a second residence during the weekend for some Bangkok residents. This finding is built on the work of TAT (1998) and Prachachart (1992) and Cohen (1996) who established that boutique hotels and resorts began to cater more to the taste of domestic tourists.

3.5.5.5 Training opportunity or level of human resources

As the hotel industry continued developing throughout the decade of the 1990's, turnover of employees received substantial attention from domestic hotels. One of the future successes in developing hotel business was seen as dependent on managing and retaining employees. There had been some transfer of skilled employees from domestic hotels to international hotels, especially in major attractions, such as Bangkok, Pattaya, Phuket and Chiangmai. Major drivers of this kind of turnover in domestic hotels were a lack of career advancement opportunities and benefits for employees. TAT (1998) pointed that the employees will compare the benefit they normally received with the benefit and position offered by the new properties. The small to medium hotels at that time only paid attention to their profits to survive in the industry while international hotels valued performance of the employees as a priority concern (TAT, 1998).

Another problem of the development of domestic hotels in this decade was that of few skilled employees and limited training support within the organizations. This problem was found in small to medium hotels. Without training in practice, these hotels found it hard to compete with international hotels in providing service and responding to

adequately the requirements of the guests. The study found that the training programs established in the international hotels not only provided guests the best service but also valued the performance of employee. The InterContinental Hotels Group, for example, developed strategies for training, building the quality of employees and networking with other training institutions while the Oriental Bangkok hotel was putting great effort on training employees in order to deliver the best services to the guests (Senthang, 1991).

Apart from the training within the international hotels, there was the establishment of the training to improve management knowledge for the institutions. For example, TAT cooperated with other organization in providing hotel training support. For example, the TAT cooperated with the Pacific Asia Travel Association (PATA) in organizing training courses for lecturers and teacher of tourism from educational institutions. Moreover, TAT cooperated with Association of South East Asian Nations (ASEAN) in organizing training for lecturers in Hotel Management for educational institution throughout the country.

3.5.6 2001-2012 The continuing consequences of the development of the hotel industry

3.5.6.1 Government role

3.5.6.1.1 The impact of 9-11

Due to the terrorist attacked U.S in 2001, the world tourism industry suffered severe and direct impacts. TAT (2004) pointed that the World Travel & Tourism Council was expecting the industry to experience a loss of 10.5 million jobs by the end of 2002. The tourism and hospitality industry in Thailand was not immune to the downturn (TAT, 2002). The consequence of the terrorist event resulted in dramatic declines in occupancy rates of Thai hotels in Bangkok and several major regions, down by as much as 25%-30% (TAT, 2002).

According to TAT (2002) the government was involved in several tasks to rebuild the hospitality and tourism industry. Many projects were established by the government to make international tourists confident that Thailand was a safe country and free from terrorists. These projects included heightened airport security procedures, and advertisements in the media to assure tourists of increased security. The government also realized that tourists would be considerably more concerned about their security in the hotel. Therefore, Thai hotel tried to coordinate with the government officials to implement plans to improve the quality of security to make hotels safer place for tourists.

3.5.6.1.2 The impact of SARS

The presense of SARS in Thailand also created a negative impact on the Thai hotel and tourism industry in this decade (Thitthongkam & Walsh, 2010). Yeoman et al. (2006) observed that Thailand was perceived by international tourists as an unsafe destination. Thitthongkam and Walsh (2010, p.138) reported historical data shwoing that a total of 10 million international tourists arrived in Thailand in 2003, which represented a decrease of 3.36 percent, accompanied by tourism revenue of US\$9,664.53 million, which was a decrease of 4.39 percent from the year 2002. Moreover, Thitthongkam and Walsh indicated that three-star hotels were experiencing a cancellation rate of 5 percent, while the cancellation rate in four and five star hotels was as high as 10 percent of the total number of rooms. Additionally, five-star hotels in Bangkok were experienced an occupation rate of no more than 30 percent three months after SARS hit (Thitthongkam & Walsh, 2010, p.138).

3.5.6.1.3 The impact of Tsunami

Another major influence on Thai tourism and the hotel sector occurred just at Christmas 2004. The Tsunami in the Andaman Sea in 2004 has a large impact on the Thai tourism and hotel industry. The consequence of the incident resulted in a decline in the number of international tourists coming to Thailand in the following years (Rittichainuwat, 2006). It caused Thai tourism to decrease by 10 percent because international tourists from over the world were shocked by the unexpected disaster

and did not travel due to fears of a recurrence and destruction of the facilities (Thitthongkam & Walsh, 2010, p. 139). Potential tourists decided to wait and to look forward to hearing of the security and safety measures that would be put into place and what else the disaster would bring (TAT, 2006). In term of the tourism industry, Thanawood et al. (2006) pointed that after the disaster, the hotel occupancy rates of provinces along the Andaman coast dramatically dropped and this had led to significant losses to the sector (Nidhiprabha, 2007). TAT (2005) estimated 328 accommodation businesses in the area (24% of the total room capacity) were either destroyed or damaged.

3.5.6.1.4 The opening of the Suvarnabhumi Airport

The establishment of new airport in Bangkok in 2006 was considered to be a positive influential issue for the development of the tourism industry in Thailand. The new airport was established as the main hub for Thai Airways International, Bangkok Airways and Orient Thai Airlines (TAT, 2012). Moreover, the airport also aimed to accommodate domestic and all international commercial flights through Thailand and was expected to boost tourist arrivals, and add extra capacity to handle passengers for Don Muang airport (U.S.A today, 2006). As a result, this would be an opportunity for Thai tourism and hospitality industry to develop the neglected intra-regional tourist market and create a major hub as one of Asia's busiest airports (TAT, 2012).

The opening of the new airport, it enabled domestic tourists to access to several major regions. Diethelm Travel (2006) stated that the new airport supported intra-regional services and increased the number of domestic operations by low cost carriers. One example of the tourism business that benefited from the establishment of the new airport was reported in the work of TAT (2006) that there was an increase of 2,000 of hotel rooms in properties around the airport and in Eastern regions. These properties included the Central Hotels and resorts, the Amari Hotel Group, the Four Wings Hotel, the Tile resort and the Miracle Grand Convention Hall. More importantly, the new airport was seen as leading to "speedy and strong impact" on Eastern region development of hotel businesses including Chonburi, Rayong, Chantaburi and Trat provinces (TAT, 2006). The development of hotels in these provinces that can

obviously be seen include having beautification projects and improving service facilities, such as conference rooms, spas, and in room facilities (Diethelm Travel, 2006).

3.5.6.1.5 The political instability in Thailand

Thailand has suffered from multiple instance of political instability since 2008. As a consequence of the situation, the number of international tourists fell consequently resulted in loss of tourism revenue. Recent studies documenting these efforts include the work of Cohen and Neal (2010) on the cumulative impacts of Thailand's multiple economic and political crisis on the Thai tourism industry. The 2008 events were followed by the crisis of May 2010 when the state used military forces to disperse a lengthy prodemocracy demonstration (Thitthongkam & Walsh, 2011, p.138). These incidents have led to various impacts on the Thai economy and tourism industry. According to the Tourism Council of Thailand, the number of international tourists over the year 2008 decreased by 0.38 million people (2.65%) from the year 2007 (TAT, 2009). Among all the tourism business, the hotel industry, especially international hotels showed declines in occupancy rate and lost revenue (Tarrant, 2010).

The performance of the domestic hotels tended to recover as support from the government and the Thai Tourism Authority of Thailand promoted domestic tourism (Tarrant, 2010). Campiranon, Law and Scott (2011) analysed how the Thai government responded to the impact on the hospitality industry. A growing body of research publications have studied these effects (Cohen, 1988; Campiranon & Arcodia, 2007; Pearce, Focken, Kanlayanasukho, Smith & Semone, 2009; Rittichainuwat & Chakraborty, 2009). TAT (2009) pointed out that three to four star hotels in the tourist regions sustained their revenue by emphasizing the domestic market. TAT (2012) reported that the number of domestic tourists remained a positive even though the political cases in Thailand and sustained the economy of many Thai hotels. The instability of Thai political life reinforced the role of domestic hotels in the hotel industry and emphasized the need to manage the crises situation and promote the properties to a broadly based set of markets.

3.5.6.1.6 The development of E-Tourism

The adoption of information technology has received significant attention in the tourism industry in recent years. Several tourism scholars have emphasized how information technology has become a key strategy in tourism organizations (Ozturan & Roney, 2004; Nickles, 2003; Zhu et al., 2002). The growth of e-commerce in the travel and tourism sector has been facilitated by a number of factors including technological advancements, and greater internet penetration among competitors in the travel and tourism sector (Hoontrakul & Sahadev, 2005).

E-commerce developments have been a part of the growth of the Thai hotel industry as the Thai tourism industry expands locally and globally. Nectec (2003) acknowledged a substantial growth in Thailand, and the total transaction size is expected to be in the region of about US \$ 651 million in 2003. The extent of adoption and usage of e-commerce has varied across countries and as well as in domestic hotels in several locations, such as Bangkok, Pattaya, and Phuket. Domestic hotels use technologies such as booking online and WIFI services in the guestrooms. The work of TAT (2003) supported the views of this study that Thai hotel industry has developed information technologies to facilitate service to the customers. Further, Khemthong and Roberts (2005) highlighted way that Thai hotels use information technology to promote and enhance the guest experience and increase revenue. Hotels in most destinations are able to attract customers with new information technologies, such as online booking, and the provision wireless internet in the premises, as well as technology facilitating check out for guests (Zhu et al., 2002). The archival material did not identify any special or unique Thai use of the new technologies; rather it appears that in Thailand all of the hotels began to follow international practices and standards using this resource.

3.5.6.2 Location

3.5.6.2.1 Phuket

After the tsunami in 2004, the Thai government paid much attention to “rebuild” Phuket (Chancharat, 2011). Several projects were coordinated by the government and the private sector to promote the tourism industry in Phuket. Kaosa-ard et al. (2007) stated that new routes were established from Hong Kong to Phuket operated by Orient Thai Airlines. Additionally, new route from Sydney to Phuket was operated by Jetstar Airlines. The consequence of the improvement of these airline services resulted in increasing number of Asian and Australian tourists to Phuket Island. Kaosa-ard et al. also revealed that the government and TAT worked together to organize the 2nd Annual Phuket International Blues Festival and the Phuket International Marathon 2007. These events each attracted a number of international tourists to Phuket. As a result of these events and new routes the number of domestic and international tourists rose by 11.25% or 5,005,653 people in 2007. There were 628 hotels or 37,543 rooms to accommodate these tourists in Phuket in 2007 (TAT, 2009). The increase in tourist arrivals reinforced the need for Phuket Island to establish more accommodation options and improve service quality.

The expansion of the middle income class in the twenty first century following rapid economic growth has encouraged unforeseen growth in local tourism, especially the demand for nature-based attractions (TAT, 2009). Increases in income have also stimulated demand for Thai tourists to spend more time on leisure and hospitality activities. Sagnarong (2009) pointed out that the tastes of domestic tourists are changing, instead of staying in international hotels, they tend to seek unique experiences from accommodation and attractions. TAT (2009) reported that an expansion of 3,888 domestic hotel rooms in Phuket in 2007 in response to the number of domestic tourists. The study found that these domestic hotels have emerged not just in Bangkok, but also in major locations, such as Phuket, Samui, Hua Hin and Chiangmai, as well as in many new and upcoming resorts around the country (TAT, 2014).

3.5.6.2.2 Pattaya

Following the establishment of the new Bangkok airport, Pattaya confirmed and strengthened its position as a leading tourism destination generating income for the Thai hospitality industry. Jones Lasalle (2013) reported that the total number of tourists to Pattaya increased by 8.2% from 8.3 million in 2010 to 8.9 million visitors in 2011. The evidence that indicated the development of hotel industry in Pattaya derives from the work of TAT (2012) who noted that there was an expansion of international hotel chains in Pattaya which included the Mercure hotel, the Novotel, the Sheraton and also Central Pattaya beach resort. The increase of tourists has stimulated Thai hotels to improve service quality and facilities to meet the requirement of the guest. This can be suggested that the establishment of the new airport which is closer to Pattaya and saves almost 2 hours of travel time, has strengthened the development of the hotel industry, including domestic hotels.

Additionally, as the number of tourists increased to Pattaya, several types of lodging and accommodation service have emerged. Among these accommodation options some are unregistered. This type of accommodation has created a negative image in the development of the Thai hotel industry. The unregistered hotels have included bungalows, serviced apartments, private houses and condominiums. Pattaya was regarded as prominent for its unregistered hotels.

According to Mr. Taecharuvijit, president of Thai Hotel Association as stated in Delinews paper the Thai hotel industry is facing the problem of increasing numbers of unregistered hotels, especially in major destinations. He reported that the increase of unregistered hotels was 20-25% per year compared with 20% of international tourists' growth. Similarly, TAT (2014) reported problems of increasing numbers of unregistered hotels in Buriram province. The study found that there were 100 hotels in the province, 40 of which were unregistered hotels. The major reasons that these unregistered hotel operators were not registered with the Thai Hotel Association is because they avoided paying taxes and want to determine their hotel room rates. Moreover, the constructions of these hotels were not well designed for service and

often ignore safety based laws and regulations. The consequence of the growing numbers of unregistered hotels has resulted in an increasing price war among the registered hotels to oversupply of hotels.

3.5.6.2.3 Khao Yai

As the Thai economy continues to recover, the recent trend of purchasing second “weekend” homes in rural settings has emerged among middle class domestic tourists (Kaosa-ard et al., 2001). Khao Yai national park located in Nakhon Ratchasima province, is considered to be one of the biggest areas of the development of domestic hotels in the Northeast provinces. Khao Yai become the famous attraction for domestic tourists due to picturesque scenery of the area, clean air, the improvement transportation system, and travel access and the growth of car ownership (Kaosa-ard et al., 2001). Consequently, several types of accommodation have emerged near Khao Yai National Park. This is related to the work of Chon, Singh, and Mikula (1993) who observed that second homes for the weekend tend to have risen in number along with the expansion of Thai middle class. These activities and developments are considered to be a new and important source of domestic tourism. The emergence of domestic hotels in Khao Yhai has reinforced and accelerated the already booming hotels in other destinations.

Additionally, the importance of domestic tourists’ motivations for visiting Khao Yai has been related to the development of domestic hotels (Qu, Ryan, & Chu, 2001; Shanka & Taylor, 2003). TDRI (2003) indicated that young tourists preferred adventurous activities approximately 53 percent in the 25 year age group while only 36 percent in the 50-60 year age groups and seek beautiful natural attractions. The information gained in the study of tourist’s motivation for visiting Khao Yai National Park can be useful for domestic hotels to understand domestic tourist’s motivation and preference activities that influence them in choosing types of accommodation (Shanka & Taylor, 2003).

3.5.6.2.4 Hua Hin

Since 2008, Thailand has faced political and economic instability which has consequently affected many regional destinations. As a result, the government began to promote new area to Thai tourists and make them more aware of traveling in the country. The tourism revenue generated from Hua Hin in 2008 was THB 9,215.22 million (Gulid, 2014). Consequently, there were increasing of invest in several types of accommodation. There are several reasons why Hua Hin was chosen to be an emerging tourist attraction for Thai tourists. First, much of the destination was relatively unspoiled compared to other major Thai beach locations, such as Pattaya and Phuket (TAT, 2010). Second, the potential of tourism in Hua Hin district for the promotion of culture, historical places, and natural attractions was high (Guild, 2014). This is related to the work of Okello et al. (2005) who supported the views of this study that tourist destinations which are planned well will strengthen the accommodation. Third, due to the proximity close to Bangkok and the improvement of infrastructure and tourist activities traveling to Hua Hin is convenient. Several tourism scholars have emphasized the importance of infrastructure and tourists' facilities to the development of accommodations (Prideaux, 2000; Cole, 2008). Fourth, both natural and man-made attractions in Hua Hin were in good condition. These resources can reinforce guests' desire to enjoy the local environment and use local accommodation (TAT, 2010).

3.5.6.3 Balance of domestic and international hotels

As Thailand faced continuous political instability and economic losses, the government attempted to boost Thai tourism to sustain the national income. The Thai government attempted to stimulate tourism in Thailand by launching the Amazing Thailand Grand Sale 2010 which was expected to increase international tourists and promoted new routes and attractions for domestic tourists. The consequence of the program has resulted in several parallel promotions from the private sector.

One clear example of these activities is reported by Jones Lang Lasalle (2013) who supported the views of this study that 2010 was an exceeding strong year for hotel investment in Thailand. Jones Lang Lasalle stated that the Evason Phuket resort engaged in a THB 1.4 Billion deal to associate with LC development of Singapore. Additionally, a further stimulus lies in the development of low cost airlines, such as AirAsia, Nok Air. To meet these customers, the international budget hotels in Thailand are likely to expand their properties. Amnatcharoenrit (2012) stated that the Accor, for example, one of the giant hotel public companies planned to expand its brand in 2015, including Ibis style, Ibis, and Ibis budget to accommodate the growth of domestic tourists and Asean Economic Community traveler. The characteristics of these budget hotels in terms of hotel image, cleanliness, eco-concerns, physical quality, consistency of service and value for money might influence domestic tourists decision making on the choice of accommodation choice in the future (Bill et al., 2007; Tat & Raymong, 2000).

TAT (2010) observed that in order to respond to the expansion of international budget hotels, many hotels in other locations have created new competitive strategies. For example, Manager Magazine (2005) reported on the establishment of the AHA (Asian Hotels Alliance). The group established by Thai five star hotel chains sought to exchange management information and improve service quality among the hotel group in Asia. This group included the Dusit hotel, the Lanadis hotels and resorts (Taiwan), the Marco Polo (Hongkong), the Meritus Hotels and resorts (Singapore) and Tge Otani (Japan).

For the development of domestic hotels, the study found that since the improvement of the serviceS of AirAsia, boutique hotels opened in several major destinations, such as Chiangmai, Phuket, Samui, Hua Hin and Khao Yai, Pai (TAT, 2009). The established domestic hotels in the major locations offered guests with intimate service, unique designs and themes. These features can be considered to be the competitive strategies that differentiated domestic hotels from other international hotel chains (Henderson, 2011). Sagnarong (2009) stated that forming Thai boutique hotels chains encouraged the hotels find the right potential customers. As a result, the improvement

of service quality to the right guests in domestic hotels represents a way forward for the Thai hotel industry.

3.5.6.4 Public response

The recent demand for domestic hotels is credited as being due to the growing interest of Thai tourists in seeking diverse experience from accommodation (Sagnarong, 2009). In comparison to other types of accommodation the study found that domestic hotels are still able to deliver various aspects of services, such as unique design, and local culture service.

The study also found that the additional stylistic concepts of domestic hotels, such as trendy, hip and chic, were related to the life style of the affluent and middle class. This is consistent with Kharas (2010) and Funatsu and Kagoya (2003) that the Thai middle class has strong influenced Thai values and new images and preferenes have directed the development of life style of people. Interestingly, Balekjian and Sarheim (2011) added that some differentiating terms have been identified by this group of people such as fashionable, and exclusive, versus bland and mainstream. These terms provide clues and guidelines for developing the features of boutique hotels (McIntosh & Siggs, 2005; van, 2001).

Special interest tourism including medical tourism has had a role in stimulating the development of the accommodation in Thailand. Cohen (2008) observed that there were linkage between medical establishments and tourism. This is related to the work of Horayangura (2005) who support the views of study that cooperation has taken different forms. For example, international patients can team up with treatment package and combining with flights, vacations and accommodations. The growing orientation of private hospital and the subsequent upgrading of their service facilities have been hitting the very social group middle class Thai (Suebsukcharoen, 2006). As this trend continues to increase, the alternative will link up to exploit the emerging opportunity of domestic hotels.

Tidtichumrernporn (2009) who supported the views of this study that the concepts of trendy, hip, chic hotels and medical tourism are likely to impact on the current guest behavior patterns. In the results of his study, such concepts enabled researcher to explain the direction of the characteristics and the development of these hotels.

3.5.6.5 Training opportunity or level of human resources

The research found that lack of skilled staff was considered an influential issue. Results indicated that most of the hotel owners ignored staff training and thought skilled staff would shift to international hotels. An exploration of the underlying constructs of improvement in hotel service quality revealed that performance of employees was assessed in the qualification process of the Thai Hotel Association (Narangajavana, 2007). Throughout this period a number of researchers emphasized staff training to increase service quality and customer satisfaction (Haynes & Fryer, 2000; Kurtus, 2007; Phetcharak, 2002).

The improvement of provision of hotel career training in the institution during this decade has shaped the development of domestic hotels. The study found that most universities have included hotel management competencies and practical training in the hotel studies of undergraduate and postgraduate students due to the lack of the hotel managerial positions in the hotel market. These skills included planning, managing, operating, marketing, financing, human resource and practical training in hotel department. The greatest challenge of the hotel institution is to find the right balance in terms of emphasis to place on management and practical training (Rimmington, 1999). Baum and Nickson (1998) argued that too much emphasis on theory could leave students confused on the relevance of their studies whereas too much focus on the practical side will leave them without the necessary skills to understand the industry (Baum & Nickson, 1998). According Narangajavana (2007) the higher and hotel managerial skills have to be added in the hotel studies as the future development of the hotel need staff to be more proactive and responsive to the changing environments. The consequence of the improvement of hotel studies in the Thai universities will shape the future development of domestic hotels and the hotel industry.

Another key problem for the domestic hotel was staff motivation. The general result here is that it was a challenge for Thai hotels to motivate employees to provide service quality due to high turnover and low staff benefits. This is related to the work of Petcharak (2002) who stated that the excellent motivation to keep staff in the organization consisted of job satisfaction, solid rewards, competent supervision, a sound salary and a rewarding career. Interestingly, results indicated that staff in small hotels were more motivated by the good working environment, such as adequate equipment, space, lighting and good food. This is consistent with Narangajavana (2007) that good treatment staff can improve service quality delivery to the guest.

More importantly, employee empowerment was also a vital issue with regard to service to domestic hotels. The study found that most of domestic hotels were relatively small to medium operation. As a small scale of their operation, domestic hotels had few problems with communication and staff empowerment due to less complexity in reporting pathways and compared to international hotels (Agget, 2007). Nevertheless, there is a balance between staff enjoying the small scale working setting and benefitting from more money and career options in the large hotel chains.

3.6 Conclusion and Discussion

The discussion of this archival study will be based on the main research aim which was to identify influential issues that were seen as shaping the development of Thai domestic hotels in the last 50 years. These influential issues will provide a framework to study the current and future development of domestic hotels. The following material emphasizes the influential issues that have stimulated the development of domestic hotels from 1962 to 2012. Table 3.2 highlights the key issues developed in this chapter.

Table 3. 2 Highlighted the thesis findings of study One

| Year | Major findings |
|------------------|--|
| 1962-1970 | <ul style="list-style-type: none"> • The role of American servicemen in the North Eastern provinces • The government established the Tourism Organization of Thailand (TAT) in the 1960s • The established of the Thai Hotel Association (THA) in 1963 • The government provided incentives and taxes to the private sector to build hotels in Bangkok and other major attractions • Five star rated and economy hotels started to provide amenities and service facilities • The Thai upper class was the first group to experience the service in five star hotels • The improvement of infrastructures and tourist facilities at the destinations in the Northern and Southern regions • The establishment of training courses for hotel and restaurant employees offered by TAT in 1966 with aimed to increase service quality |
| 1971-1980 | <ul style="list-style-type: none"> • The improvement of infrastructure in the North East provinces • The development of hotels in the Northeast • The rise of Rest and Recreation (R&R) and tourism in Pattaya • Phuket was promoted as a major tourism destination • Domestic hotels started to improve service facilities • The establishment of Hotel and Tourism Training Institute at Bangsaen • The establishment of Hotel and Tourism certificate course at Community college of Phuket |

| | |
|------------------|--|
| 1981-1990 | <ul style="list-style-type: none"> • The rise of middle class domestic tourists • Promotion of the tourist destination at Cha-am and Hua Hin • The improvement of service facilities in domestic hotels in response to requirement of domestic and international tourists • The expansion of the highway from Bangkok to the Eastern region • The improvement of Road No. 2090 from Bangkok to Nakhon Rathchasi province • The improvement of the ferry service at Samui, Phuket and Phangan • The improvement of infrastructure in the Northern province |
| 1991-2000 | <ul style="list-style-type: none"> • The impact of the Gulf War in 1991 • The unstable political environment in Thailand in 1992 • The success of Amazing Thailand program in 1997 • The rise of boutique hotels and resorts as response to growing number of domestic tourists • The improvement of service and facilities in hotels to attract domestic tourists • Lack of skilled employees who work in the hotel industry • Universities and educational institutions have included hotel and tourism studies in the program |
| 2001-2012 | <ul style="list-style-type: none"> • The impact of terrorism in the U.S.A in 2001 • SARS crisis between 2002-2003 • Tsunami in Thailand in 2004 • Political crisis of Thailand from 2005-2006 • Political crisis of Thailand in 2010 • The establishment of New Airport in Bangkok in 2006 • The development of E-Tourism from 2003-2006 • The improvement of the tourist attractions at destinations • The improvement of staff competencies in the hotel • Increase in demand and taste of Thai tourists in seeking |

| | |
|--|---|
| | <p>diverse holiday and recreation experiences</p> <ul style="list-style-type: none"> • The improvement of hotel studies in private institutions and public universities by emphasizing practical and management training in response to the growth of the hotel sector |
|--|---|

As shown in the Table 3.2, the rise of the American servicemen initially influenced the development of the Thai economy and tourism industry from 1962 to 1970. The study has found that the US military involvement in the Vietnam War had a significant impact on the tourist industry which experienced rapid growth, and affected other service industries in Thailand. The evidence of this tourism growth can be found in the establishment of the Tourism Authority of Thailand (TAT) and the Thai Hotel Association (THA) in the early 1960s.

A significant role of the government was evident in exempting taxes for the private sector in constructing hotels. Tax exemption also enabled hotel operators to improve their service facilities to meet the requirements of the guests (Angkawaniij, 1968; Sharma & Upneja, 2005). The consequence of tax exemption resulted in the building of five star and domestic hotels both in Bangkok and at major destinations. The study also found that not only international tourists enjoyed the service of the five star hotels but also the Thai upper class experienced the western life style and luxurious services. The prominent example of hotels that were established to accommodate these tourists was mostly found in Bangkok, such as the Oriental Bangkok hotel, the Erawan hotel, the Intra hotel and the Dusit Thani hotel (Pakdeepadungdaen, 1967; Maliphan, 1970).

The government also started to support the development of infrastructure and tourists facilities in the Northern and Southern regions. This finding was identified through the work of Jarusawas (1968) and Maliphan (1970) who supported the views that the improvement of transportation system and access to private vehicles transformed Chiangmai and Songkhla provinces into the major destinations.

More importantly, the establishment of training course for hotel and restaurant employee in 1966 organized by TAT was considered to be one of the important issues

in the Thai hotel industry. The training course aimed to improve service quality to sustain growing of the tourism industry and meet international standard. Jarusawas (1968) supported the view of this study that it is essential to create qualified personnel as well as to develop skills and elevate the standard of service alongside the promotion and development of the tourism industry. With the quality of service provided in the hotel, will influence customer to return or attract others to use the service (Saibang & Schwindt, 1998).

From 1971 to 1980, the American Army continued to have an impact on the Thai tourism industry. The study found that the army personnel stimulated businesses, such as bars, nightclubs, and hotels in Northeastern provinces, such as Udonthani, Ubon Ratchathani and Nakhon Ratchasima (Wilai, 1971). Moreover, the results also indicated that tourists who followed the American service men groups were domestic tourists who consequently influenced the concepts of “one stop accommodation” in the local hotels in the Northeast provinces. These changes influenced several domestic hotels in other locations to improve service quality to meet the new requirement of domestic tourists. This is consistent with the work of Tassanasuwan (1977) who supported the views of this study that several hotels in Nakhon Ratchasima and Ubon Rathchathani provinces expanded their properties by including entertainment units, such as night clubs, bowling alley, cinemas and department stores to accommodate domestic tourists who staying in the hotels.

Another significant incident for the development of domestic hotels emerged in Pattaya. After the Rest and Recreation Group (R&R) had found Pattaya suitable for their activities, many bungalows and cottages were transformed to hotels and resorts (Meyer, 1988; Tassanasuwan, 1972). The importance of the R& R group to the hospitality in Thailand has been emphasized by several tourism scholars (Chatkaewnapanon, 2011; Cohen, 1996; Ouyanont, 2001). More importantly, the study found that presense of R&R group in Pattaya stimulated the soft service industries, which included night clubs, bars and massage parlor. Consequently, Pattaya has been marked by the TAT (1998) as the main tourist area of the country. The rise of R&R group in Pattaya provided a model for other major destinations to

develop similar and occasionally subtly different tourism and accommodation facilities (Tassanasuwan, 1977).

The improvement of road and tourist facilities in Phuket province resulted in developing a strong hotel and tourism industry. The government convinced to appreciate the importance of businesses and their capacity to generate revenue for the national income. Consequently, the government included the improvement of tourist facilities project in national plans.

The TAT was awarded that the Thai tourism personnel is essential for the promotion and development of the tourism industry in Thailand. As a result, it coordinated with other institutions to establish the hotel and tourism training institution. Examples of the institutions that have influenced the development of the Thai hotel industry were Phuket Community College and Hotel and Tourism Training Institute in Bangsaen. The study found that these institutions sustain the shortage of the hotel operation level personnel in the employment market in several destinations. This implied that the establishment of Hotel and Tourism Institutions can stimulate domestic hotels in other locations to emphasize the importance of training and improving service quality.

From 1981 to 1990, the rise of middle class domestic tourists was considered to be one of the influential issues. The growth of the Thai economy during 1980s encouraged Thai tourists to spend their time on leisure activities and consumption in major destinations (Chon et al., 1993). The consequence of emerging of middle class resulted in increasing promotion of tourist destinations. The study has found that the promotion of tourist locations, such as Cha- Am, Hua Hin, Bangsaen and Pattaya, was aimed to attract Bangkok residents (Kongtakul, 1998; Kaosa-ard & White, 2001). A key implication here is that the promotion of the destination benefited the development of local hotels. Several studies, such as Shanka & Talyor (2003) supported the view of this study that the accommodation can gain advantage from being located near the attractions key regional and well promoted destinations. The “Visiting Thailand campaign in 1987” was not only aimed to attract international tourists to Thailand but used to make Thai tourists more awarded of where to travel within the country.

Another influential issue that stimulated the development of the hotel industry was the improvement in infrastructure. The study has found that there were several key infrastructure projects that have been well supported by the government. For example, Kongtakul (1989) stated that the expansion of Highway from Bangkok to the Eastern region stimulated the investment of hotel businesses in Bangsaen and Pattaya. The National Economic and Social Development Plan (1987-1991) also observed that the improvement of ferry and jumbo jet services has brought large number of tourists and stimulated the development of hotel business in Samui and Phaghan Island. Interestingly, the improvement of infrastructure in Maehongsorn also attracted domestic tourists and stimulated the development of accommodation in Pai district (Jeungwisetpong, 1989). As a result of these growth patterns, private sector to investors put money into resorts, bungalows, and local and international hotels in these locations.

The growth of the Thai tourism industry along with a rapid increase of international tourists has resulted in increasing the demand of improving hotel workforce performance. In response to these growths, the Thai hotels industry has become competitive with the service quality provided having an effect on the profitability and in response to requirement of international tourists. (Saibang & Schwindt, 1998). The study found that the hotel institutions have been considered to be one of the most contributed issues that stimulated the hotel development. The improvement of hotel and tourism courses in the educational institute, such as adding operational experience based on practical training and knowledge learning will produce a good opportunity for the hospitality employment market.

From 1991-2000, the Gulf War, the World economy recession and the unstable political environment in Thailand affected the development of Thai tourism and the hotel industry (Prachachart Business, 1992). These incidents reduced the confidence of international tourists to visit Thailand and affected the national income and the development of the tourism industry. As a result, Thai government re-released the “Amazing Thailand campaign” in 1997 with the aims to promote tourism in Thailand and sustain the economy of the country. This campaign was successful and also

attracted middle class domestic tourists as they mainly generated revenue to the Thai tourism industry. As the campaign continued, the number of domestic tourists increased in several major attractions, such as Phuket, Chiangmai, Samui Island, Chonburi, Prachaub Khirikhan and Nakon Ratchasima provinces. As a result, it also stimulated the development of domestic hotels in the major destinations.

As the number of domestic tourists continued to grow, there was an increasing awareness that domestic hotels had to provide service quality to meet the requirements of this group of tourists. The improvement in service quality can be found in re-designing building and facilities within domestic hotels (Tidtichumernporn, 2009). Cohen (1996) observed that that most accommodation tended to be established near attractions in order to increase the customer experience. These established location-based concepts have shaped the development of boutique hotels and small accommodation in Thailand (Sagnarong, 2009; Tidtichumernporn, 2009). However, the study has found that these kinds of accommodation had low service standards due to lack of training support and fewer skilled employees which making it hard to compete with international hotels. Phetcharak (2002) noted that without improvement of service quality and staff competencies, these accommodation businesses have found it very hard to meet all the requirement of domestic tourists.

The training of hotel staff in this decade has mostly found in international five star hotels in Bangkok and other destinations. However, most local hotels ignored the importance of the training to improve staff performance and only paid attention to increase their profit. Interestingly, the staff training not only found in the international chain hotels but also organized by TAT and other organizations, such as the Pacific Asia Travel Association (PATA) and Association of South East Asian Nations (ASEAN) in order to increase management practice and knowledge for the lecturers in Hotel Management for educational institutions.

From 2001-2012, eleven influential issues were identified as shaping the development of domestic hotels. These influential issues were then used to investigate stakeholders' views in study Two. For the negative issues, the most influential negative issue among all issues were Political crisis in Thailand from 2005 to 2006 and Political crisis in

Thailand in 2010. The political crisis in Thailand had a major impact on the economy and the development of the tourism in Thailand. This finding was related to the study of Thitthongkam and Walsh (2010) who supported the views that the political turmoil in Thailand created various negative effects to the tourism and hotel industry in Thailand. It did not directly affect domestic tourists but certainly made international investors and people who were involved in the Thai tourism industry deeply uncomfortable with the situation (TAT, 2009).

Another influential issue was the establishment of the new airport in 2006. The new airport has stimulated the development of the Thai tourism industry. This interpretation was supported by the work of Jones Lang Lasalle (2013) who observed how Bangkok has become a transit hub for international flights in Southeast Asia and as a by-product has attracted a number of tourists to Thailand. The establishment of the new airport has also enabled domestic tourists to access to several major regional destinations and attractions and consequently stimulated the development of domestic hotels.

The study also found that the development of E-tourism was seen as an issue that shaped the development of domestic hotels. The use of technologies has significantly changed the way hotel operators plan, control and manage their properties. Hotel operators have come to expect benefits from using technology in the form of enhanced customer services and operational efficiency (Khemthong & Robert, 2005). On the other hand, the study found that domestic tourist expected to use technologies to enhance their experience while staying in domestic hotels.

Staff competencies were considered to be one of service components in the development of domestic hotels and the hotel industry. The study has found that most domestic hotels have lacked of skilled staff and effective training practices. There is inadequate provision for operation and management training skills to meet the demands of customer (Sharma & Upneja, 2005). The improvement of staff competencies is largely prevalent in hotels and service providers and there was evidence to suggest that such efforts yield successful results (Narangajavana, 2007; Phetcharak, 2002). The provision of hotel career training in the institution was

considered to be the influential issue. The educational institutes have emphasized more on the specific courses which included management and practical competencies. However, most lecturers of hotel institution expanded their knowledge in hotel and tourism practice, it still faces the problem of balance in terms of placing on management and practical training to student in response to the growth of the industry.

The rise of tourists who seeks the unique experience from the attractions and accommodations has significantly impact on the development of domestic hotels. The example of the style of development can be clearly found in the themes, service designs, operations and concepts that differentiated these accommodation businesses from the traditional hotels. Moreover, the growth of medical tourism in Thailand reflects an increase of the importance of the relationship between treatment and customized service. This finding was related to the work of Kotler (2003) and Sagnarong (2009) that tourists tend to seek a unique experience or what has previously been customized travel or individualized service.

Special interest tourism including medical tourism has had a role in stimulating the development of the accommodation in Thailand. Cohen (2008) observed that there were linkage between medical establishments and tourism. This is related to the work of Horayangura (2005) who support the views of study that cooperation has taken different forms. For example, international patients can team up with treatment package and combining with flights, vacations and accommodations. The growing orientation of private hospital and the subsequent upgrading of their service facilities have been hitting the very social group middle class Thai (Suebsukcharoen, 2006). As this trend continues to increase, the alternative will link up to exploit the emerging opportunity of domestic hotels.

Tidtichumremporn (2009) who supported the views of this study that the concepts of trendy, hip, chic hotels and medical tourism are likely to impact the current guest behavior patterns. In the results of his study, such concepts enabled researcher to explain the direction of the characteristics and the development of these hotels.

3.6.1 Reaction of the host/residents' to the development of domestic hotels

The reaction of the hosts or residents were considered to be one of the influential issues that shaped the development of domestic hotels in Thailand. For this study, domestic hotel operators responded to the policy of the government, and increase in demand of domestic tourists in seeking unique experience from the tourist attractions and accommodations. Table 4.3 highlights the reaction of domestic hotels to the development of domestic hotels from 1962 to 2012.

Table 3. 3 Presented the reaction of the host/ residents' to the development of domestic hotels

| Year | Host/ Residents | Reaction to the development of domestic hotels |
|------------------|--------------------------|--|
| 1962-1970 | Domestic hotel operators | <ul style="list-style-type: none"> • The reaction of hotel operators to the policy of the government • The hotel operators began to provide full set of facilities and amenities in the hotel • The hotel operators realized how importance of training program |
| 1971-1980 | Domestic hotel operators | <ul style="list-style-type: none"> • Change in demands and tastes of tourists influence the domestic hotels to provide alternative services |
| 1981-1990 | Domestic hotel operators | <ul style="list-style-type: none"> • The hotel operator realized how importance of tourist activities linked to the hotel package. • Domestic hotels operators supported the training program organized by TAT and private sector |
| 1991-2000 | Domestic hotel operators | <ul style="list-style-type: none"> • In response to shift of middle class preferences toward using service of domestic hotels, there was investment in several boutique hotels and resorts in major locations near Bangkok (Prachachart Business, 1992) • Domestic hotel operators in several attractions rather began to aware of retaining and |

| | | |
|------------------|--------------------------|---|
| | | improving beneficial for their employees than paying attention at the profit (TAT, 1998). |
| 2001-2012 | Domestic hotel operators | <ul style="list-style-type: none"> • Domestic hotel operators respond to the recent demand of Thai tourists in seeking diverse experience from accommodation by providing unique and personal services (Sagnarong, 2009; Tidichumrernporn, 2009). • Hotel operators adopted technology to support hotel operation and management (Khemthong & Robert, 2005) |

Domestic hotel operator was perceived to be host/ resident in the study because of their reaction played an important role in the historical development of Thai domestic hotels. From the study, it found that domestic hotel operator initially responded to the policy of the government concerning about tax revenue exemption by establishing domestic hotels in several attractions, providing full set of facilities and amenities to attract domestic tourists (Jarusawas, 1968).

Another important role of domestic hotel operator to the development was found in was that of respond to the trend of tourist by providing alternative service facilities or “one stop accommodation”, such as function rooms, swimming pools, restaurant, cinema, bowling, nightclubs and bowling alleys (Tassanasuwan, 1977). This consequently influenced the established hotels to develop the one stop accommodation service concept in their service strategy.

Additionally, it found that domestic hotels responded to the important of the development of the tourism and the hotel industry in several issues. First, domestic hotel operators responded to the rise of middle class domestic tourists and the improvement of infrastructure by investing in the hotel businesses and improving service qualities and facilities in several tourist attractions (Sagnarong, 2009). Second, domestic hotel operators began to link the leisure activities domestic tourists prefer in the hotel package (Kongtakul, 1989). Third, the hotel operators aware the importance

of staff beneficial to the development. As a result, the hotel operator started managing staff benefit and coordinated with education institutes with regard to increase staff performance in both hotel operation and management.

Recently, domestic hotel operators have responded to change in demand of Thai tourists in seeking diverse experience from tourist attractions and accommodation by delivering various aspects of services, such as unique design, Thai values and local culture service (Sagnarong, 2009; Tidtichumrernporn, 2009). The use of technologies has significantly changed the way hotel operator reaction to the development of domestic hotels, such as controlling and managing their properties. Hotel operators have come to expect benefits from using technology in the form of enhanced customer services and operational efficiency (Khemthong & Robert, 2005).

In summary, the results from the archival sources portray a dynamic Thai tourism industry. It is an industry where domestic tourism has grown after an initial start built in international tourism activity. The historical periods reviewed reveal a trajectory of growth in domestic hotels influenced Thailand and emerging tastes of the middle class. The findings of the eleven influential issues from 2001-2012 were highlighted to understand the development of the hotel industry and will provide a framework to study the current development and future development of domestic hotels in Thailand in the following chapter.

Chapter 4 - The Development of the Domestic Hotel in Thailand: Perspectives of Domestic Tourists about the Present

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4.5 Conclusion and Discussion

4.1 Introduction

This chapter is specifically concerned with the perspective of one group of stakeholders with important views about the Thai domestic hotel industry. This group of interest is domestic tourists. The questionnaire for this study was based on the finding of the first study; the influential issues that shape the current development of Thai domestic hotels and the hotel industry (see the influential issues at Appendix 5.1). The research considers the perspectives of the stakeholders and reviews attitudes toward the influential factors that shape the development of these preferences. The results of this study will be a basis for constructing study 3, (Chapter 6) which is concerned with the future of domestic hotels in Thailand.

The broaden research questions of the study were:

- What are the influential factors shaping the development of domestic hotels and the hotel industry in Thailand? (As seen by key stakeholders)
- What are the perspectives of these stakeholders toward the key issues that shape the current development of domestic hotels and the hotel industrys?

To answer the research questions, two specific research aims were developed; these two aims are:

1. To investigate perspectives of domestic tourists toward the development of domestic hotels and the hotel industry
2. To explore the relationship among the profiles of domestic tourists and their perspectives on the development of domestic hotels and the hotel industry

4.2 Methodology

4.2.1 Site selection

The study was conducted in Prachuap Khirikhan, Chonburi and Nakhon Ratchasima provinces. These areas included several of Thailand's famous tourist attractions and, importantly, they are regions where a number of domestic hotels are currently being developed in response to the growing numbers of domestic middle class tourists. The study attempts to analyze the perspectives of the domestic tourists toward the visible local trends that influence hotel development. The stakeholders in this study included 334 domestic tourists from the selected provinces.



Figure 4. 1 Map of Thailand

In this study, a quantitative research approach was used to collect the information. The quantitative research style was adopted in the study as an effective means of generating broad responses. The specific technique of a survey was used and is one of the most frequently utilized tools in studies within the leisure and tourism fields (Smith, 1995; Finn, Elliott-White & Walton, 2000).







4.2.2 The questionnaire

It is well established that a questionnaire survey is a data collection instrument that sets out in a formal way key questions design to elicit information (Cooper & Schindler, 2011). Veal (1997) noted that questionnaire surveys must begin with identification and specification of the target population of individuals who are sufficiently well informed to answer the research questions. In this Thai study, data from middle class domestic tourists who were staying or using services of the domestic hotels in Prachuap Khirikhan, Chonburi and Nakhon Ratchasima provinces were collected. The questionnaire items were based on the results of chapter 3. A nine page questionnaire was designed for domestic tourists who stayed or used services of domestic hotels (see a copy of questionnaire at Appendix 4.1). The questionnaire was written in both Thai and English in order to ensure that the respondents understood and answered all the questions. The eleven influential issues from study 1 were selected to examine respondents' perspectives for their requirements when staying in domestic hotels in questions 5 to 10. These influential issues included the development of E-Tourism, the improvement of the tourist attractions at destinations, the improvement of staff competencies in the hotel and increase in demand and taste of Thai tourists in seeking diverse holiday and recreation experiences.

Based on the aims of the study, the questionnaire for the domestic tourists consisted of three sections. Section 1 asked domestic tourists about their travel experience and requirements during their stay in domestic hotels. There were ten questions in Section 1. The first four questions examined respondents' experience when using the features of domestic hotels. Questions 5 to 10 were open-ended questions, which provided respondents with an opportunity to freely respond without structured directives from the researcher (Oppenheim, 1992). Such questions examined the respondent's

perspectives about their requirements in terms of additional service, and facilities when staying in the domestic hotel. The study also examined the respondent’s perspectives on the preferred location of domestic hotels. For this task, the respondents were asked to choose their preferred images from six alternative locations and to state the reason for their choice. As shown in the Table 4.1, the location for domestic hotels included a floating market, Ratchaburi province, Chao Phraya River, Bangkok, Khao Yai National Park, Nakhon Ratchasima province, Phi Phi Island, Phuket province and Hua Hin beach, Prachaup Khirikhan province.

Table 4. 1 The six images used to elicit preferred locations for domestic hotels

| | | |
|---|--|---|
|  |  |  |
| 1) Floating market | 2) Chao Phraya River | 3) Khao Yai National Park |
|  |  |  |
| 4) Phi Phi Island | 5) Hua-Hin beach | 6) Pai |

The greatest benefits of using predominantly structured questions lies in the ease of administration and the knowledge that the respondents’ answers can be readily

compared (Churchill & Brown, 2004). This benefits the researcher in terms of analysing and interpreting core information to address the research questions.

Section 2 employed three future scenarios to investigate the perspectives of domestic tourists concerning material and factors that will influence the future development of domestic hotels. Respondents were asked to choose one of five possible future scenarios that might happen with domestic hotels in the next 5-10 years. The last question in section 2 was also open-ended question and asked respondents about their further suggestions for the development of Thai domestic hotels in the next 5-10 years. The future scenarios question design will be discussed in more detail in the chapter 6.

Section 3 obtained the demographic profiles of the respondents. The purpose of the demographic section was to measure respondent characteristics (Altinay & Paraskevas, 2004). Demographic data were also used to determine what subgroups exist within the sample and assist in creating a picture of the group (Jennings, 2010). The demographic information collected included gender, age, marital status, education, income, basis of work and occupation (see a copy of the survey used on guests at Appendix 4.1).

4.2.3 Data collection

The data for study 2 were collected at the same time as data for study 3. Data collection took place from 27 December 2012 to 10 April 2013. At the suggestion of the THA (Thai Hotel Association), a list of 33 domestic hotels were chosen and verified that they fit the researcher's definition of the characteristics of domestic hotels. The researcher contacted the established domestic hotels for permission to interview the owners or general managers and then distributed questionnaires to domestic guests who were staying or using services in the hotel. The itinerary for the data collection was arranged as shown in Table 4.2.

4.2.3.1 Data collection from hotel guests

After interviewing with owners or general managers of the established domestic hotels, the researcher waited to distribute questionnaire survey to hotel guest at lobby

of the hotel. The researcher approached hotel guests after they finished check out process at the reception desk. Then the aims of the research and the requirements for their participation were explained. Meanwhile, the researcher ensured that the respondents understood the questions in questionnaire and their responses met the requirement of the aims of the research. The itinerary for the data collection was arranged as shown in Table 4.2.

Table 4. 2 Itinerary of data collection in Prachuap Khirikhan, Chonburi and Nakhon Ratchasima provinces from 27 December 2012-10 April 2013

| Date | Location | Data collection | Duration |
|--------------------------------------|---|---|-----------------|
| 27-December 2012 -27 January 2013 | Huahin district, Prachuap Khirikhan province | In depth interview and questionnaire survey | 31 days |
| 31 January 2013- 3 March 2013 | Bangsaen and Pattaya district, Chonburi province | In depth interview and questionnaire survey | 31 days |
| 6 March 2013- 10 April 2013 | Khaoyai, Amphurmeong and Pimai district, Nakh on Rathchasi ma province | In depth interview and questionnaire survey | 35 days |

4.2.4 Research methods

As suggested in the introduction and the aims of the research, the main research methods for this study is a questionnaire. This section presents method use, sample size and limitation of the researcher in collecting the data.

4.2.4.1 Method use to collect the data

Based on the aims of the research, the questionnaire consists of three sections. Section 1 examined hotel guest perspective concerning the influential issues that stimulate the current development of domestic hotels. Section 2 examined hotel guest perspective concerning that influential issues that will that stimulate the future development of domestic hotels. Section 3 obtained the demographic profiles of the respondents. The content and design of questions in the questionnaire were based on the results of the previous study. For this study, the most influential issues from study 1 were selected and used to examine hotel guest perspective concerning the influential issues that

stimulate the current development of domestic hotels in section 1.

For the research method use to collect the data, a nine page questionnaire is the specific instrument of this study (see Appendix 4.1). A combination of closed and open ended question technique was applied in the questionnaire to elicit information from the hotel guests. While closed ended questions enable respondents to indicate their preference, attitude, knowledge or opinion in the survey, open questions also enable participants not just to write a free account in their own terms, but also to explain and qualify their responses and avoid the limitations of pre-set categories. (Oppenheim, 1992; Schuman, 2008). As a result, the researcher employed a close end and open end question technique in the questionnaire for the advantage in data collection.

4.2.4.2 Sample size

The data was collected from 27 December 2012 to 10 April 2013 from the selected provinces. To gain a suitable sample size of hotel guest, the researcher reviewed the sampling frame from the Thai Hotel Association (THA) and the Tourism Authority of Thailand (TAT). This supports the views of the researcher that using the questionnaire approach involves steps in defining target populations, determining the sample size and evaluating an existing sampling frame (Ticehurst & Veal, 1999). In this study, the TAT and THA supplied number of 442 registered hotels in the selected provinces which were either small to medium hotels. Some of them were ranged from moderate to luxury five-star properties in each location. Consequently, the researcher randomly selected a sample of owners or general managers of 33 domestic hotels from the three provinces of Prachaup Khirikhan, Chonburi and Nakon Ratchasima provinces. The sample size of 33 was seen as representing a feasible member of personal interviews

While this is possible in cases such as the domestic hotel operators in three provinces will be selected, it is more possible for tourists to these hotels. The recurring challenge in attempting to use simple random sampling is being able to identify the whole population of interest. Cohen et al. (2007, p.110) noted that the simple random method involves selecting at random, from a list of the population, the required number of

subjects for the sample. Christensen and Johnson (2004) supported the view of the researcher that this form of sampling maximises the chance that the sample will have the same characteristics as the whole population. As a result, 334 domestic tourists were included in this study as a stakeholder.

4.2.4.3 Limitation of the questionnaire

4.2.4.3.1 Non response, attrition and respondent mortality

Determining the size of the sample required to take account of non-response, attrition and respondent mortality. The study was found that some participants failed to return questionnaires, left the research or return incomplete questions. For example, several participants miss out items or put two ticks in row of choices instead of only one in a question. Consequently, the researcher presence at the time of conducting the research, especially when questionnaire are being completed. Gorard (2003) suggested that it is advisable to overestimate rather than to underestimate the size of the sample required. Borg and Gall (1979, p. 195) suggested that, as a general rule, sample sizes should be large where there are many variables, only small differences or small relationships are expected or predicted. As a result, the researcher distributed another 50 copies of questionnaire on top of required sample.

4.2.4.3.2 A chance of bias

Specific words or pictures in the questionnaire can trigger bias. It found that most respondents answered the questions related to the pictures described in the questionnaire. Such keywords and pictures are referred to as leading questions because they lead the respondent to a particular answer. Cohen et al. (2007) observed that pictures or loaded words and phrases tend to produce misleading answers. In fact, these pictures aimed to stimulate or guide respondents concerning their requirements and preferences when staying in domestic hotels. In resolving the matter, the researcher ensured the respondents understood the research questions by presence at the time of conducting the research in case respondents misleading the research aims and questions.

4.2.4.3.3 Time consuming

The study was found that some respondents took long time to complete the questionnaire due to the complex format of questionnaire and design. The researcher also observed that some respondents returned questionnaire with incomplete questions. Gorard (2003) noted that where the researcher is not present, it always difficult to know whether or not a respondent has understood a question properly. The researcher resolved the matters by following; redesigning questionnaire with more open end questions than close end questions, avoided using abbreviations in English. Finally, the researcher's presence at the time of conducting the research ensured that respondents understood the questions and the aims of the research.

4.2.5 Profile of domestic hotel guests as respondents

Some of the highlights of the information describing the respondents' demographic profile as reported in Table 4.3 are that the domestic tourists are between 26-35 years of age, quite well educated and almost half of respondents have stayed in domestic hotels a multiple occasions. They tend to be from a range of occupations and have travelled outside their own provinces quite a lot including some with overseas travel experiences.

Table 4. 3 Profile of domestic hotel guests as respondents

| Variable | Categories | % |
|--|---------------------------------------|----------|
| Gender | Male | 44.3 |
| | Female | 55.1 |
| Age | 26-35 years | 56.6 |
| | 36-50 years | 33.8 |
| | 51 or above | 8.1 |
| Status | Single | 56.0 |
| | Married | 43.4 |
| Education | Junior middle school | 1.8 |
| | Senior middle school/Technical school | 16.8 |
| | University/Post graduate or above | 62.6 |
| Income yearly | Less than 300,000 | 42.8 |
| | Between 310,000-450,000 | 35.0 |
| | Between 460,000-600,000 | 11.1 |
| | Between 610,000-1,000,000 | 9.3 |
| Occupation | Full time | 79.6 |
| | Part time | 7.2 |
| | Other | 9.6 |
| Type of occupation | Private company employee | 34.1 |
| | Government official | 22.1 |
| | Business owner | 16.1 |
| | Paid worker | 7.1 |
| | State enterprise employee | 6.8 |
| | Student | 2.9 |
| | Housewives | 0.8 |
| Frequency of stay in domestic hotels in 3 years | Once | 12.9 |
| | 1-5 times | 43.7 |
| | 6-10 times | 17.1 |
| | More than 10 times | 25.7 |

| | | |
|---------------------------------------|--|------|
| How many night in a trip | 1 night | 37.1 |
| | 2-3 nights | 57.5 |
| | 4-7 nights | 3.0 |
| | More than 7 nights | 1.2 |
| Overall travel experience | Have not travelled very much outside your own city | 3.0 |
| | Have travelled to several cities | 53.3 |
| | Have travelled all over Thailand | 26.3 |
| | Have travelled all over Thailand and overseas | 15.6 |
| Types of hotel stay in 3 years | Domestic hotels | 54.5 |
| | Thai hotel chains 4-5 stars | 35.2 |
| | International hotel chain 2-3 stars | 6.0 |
| | International hotel chain 4-5 stars | 4.3 |

4.3 Results Discussion

The questionnaire was analyzed based on the two research objectives: to investigate perspectives of related stakeholders toward the development of domestic hotels; and to explore the relationship among key domestic and profile variables and the development of domestic hotels. The first set of result of the analysis addresses aim 1 of the study. The results will also be used to further explore the relationship among key domestic and profile variables and the development of domestic hotels, which constitute aim 2 of the study.

4.3.1 Descriptive results of domestic hotel users

This section of the results investigates the perspectives of domestic hotel users concerning the basic and specific service requirements which they have for these types of hotel. Requirements include characteristics of the room, preferred locations, special activities preferred, and desirable staff skills. A quantitative approach was used to report these requirements. Some links to the previous literature on hotel features as seen by guests are included in the presentation of the results.

4.3.1.1 Requirement for reserving domestic hotels: Aim 1

This set of results is derived from section 1 of the questionnaire (open-ended questions) which asked the respondents to identify their three requirements when reserving domestic hotels. Table 4.4 contains the results of the requirements of domestic hotel users when choosing this form of accommodation.

Table 4. 4 Requirements when reserving domestic hotels

| No | General requirements | Frequency | % |
|----|------------------------|-----------|------|
| 1 | Good service | 230 | 68.9 |
| 2 | Good facilities | 142 | 42.5 |
| 3 | Good location | 128 | 38.3 |
| 4 | Promotion of the hotel | 115 | 34.4 |

Good service was one of the leading requirements of respondents when reserving domestic hotels. Good service in this study included a fast and warm welcome service. From the results, many respondents (68.9%) regarded good service as attracting them to domestic hotels. Groth and Dye (1999) noted that providing excellent service quality is important in creating value for customers and in turn, for generating a sense of worth to the service provider. One example of good service that domestic hotel users required when checking in domestic hotels included the willingness of hotel staff to provide prompt service.

Good facilities were another requirement of respondents when reserving domestic hotels. Good facilities in this study included a good restaurant and the cleanliness of facilities. Alzaid and Soliman (2002) noted that in the hotel, cleanliness of facilities represent multiple issues and items (toilets, bedroom, public areas) and have considerable impact on guests' assessment of service quality. From the results, the respondents (38.3%) also regarded good facilities as a key to attract them to stay in domestic hotels. Karunaratne and Jayawardena (2010) concluded that all hotels need to pay attention to improve the service quality with regard to cleanliness and well maintained facilities.

Additionally, a good location was clearly required by the respondents. A good location in this study included a good atmosphere and a good environment. Mattila (1990) stated that the hotel's physical environment, including the guest room and public area, always plays a critical role in the guest's perception. Pricewaterhouse (2005) suggested that the location of the hotel can be a part of the product, and a worthwhile experience in its own right for the guest. From the results, respondents (38.3%) considered a good location as a key force attracting them to stay in domestic hotels. Lim and Endean (2009) noted that the preferred locations for hotels are generally in the trendy part of a city, near a famous destination or those that offer good access to appealing locations.

Promotion of the hotel was also another concern for the respondents. Oh (1999) observed that prices can have a significant positive influence and attract customers. The survey respondents (34.4%) were attracted by price information and on this basis tended to book domestic hotels. Bojanic (1996) found that there are significant positive relationships between perceived price and perceived quality among customers. In the present results, it was found that the respondents also expected to receive good quality and prices through promotional efforts from particular domestic hotels.

Additionally, there were some further requirements of respondents. These needs included good transportation to the domestic hotel and tourist attractions, unique design of the hotel, having Thai cultural service in the hotel, encountering staff who can provide accurate information, and being offered activities that the domestic hotels organized.

4.3.1.2 Expressed need for in-room requirements

This section investigates the specific requirements of domestic hotel users toward facilities in the guestroom. The respondents were asked to describe three main needs for facilities that the domestic hotel must provide in the guest room. The results again address a part of the first aim of the study.

Table 4. 5 Requirement for in-room facilities

| No | General requirements | Frequency | % |
|----|----------------------------------|-----------|------|
| 1 | Technological facilities in room | 206 | 61.7 |
| 2 | Necessary facilities in room | 196 | 58.7 |
| 3 | Additional space in room | 86 | 25.7 |

As is shown in Table 4.5, respondents claimed that the hotel must be able to provide high levels of service technology based services and facilities (Guzzo, 2010). Similarly, Wuest et al. (1996) noted that guests may find various services and facilities critical for their stay in a hotel, such as amenities, security, standard of services, and the physical attractiveness of the room. From the investigation, more than half of the respondents required up to date technology in the room, such as free WIFI internet (61.7%) and flat screen television (58.7%).







Fundamental facilities and additional space in the rooms were included as in-room requirements. Respondents stated that they expected domestic hotels to provide such basic facilities as hot water, a bathroom, an air conditioner, a comfortable bed, a refrigerator, a hairdryer, and a minibar. Good facilities add value to the service and increase customer satisfaction (Parasuraman et al., 1985). The result also revealed that additional space was important for over 25% of the respondents. Some respondents mentioned specific additional spaces, such as a living room and a kitchen area that should be added to the guest room to create a homely atmosphere. Physical amenities of a high standard can reflect service quality and bring customer satisfaction (Zeithaml & Bitner, 2003). Therefore, quality facilities and additional space should be considered in the delivery of the domestic hotel experience and will add to customer satisfaction.

4.3.1.3 Preferred location

This section investigates the specific requirements of domestic hotel users toward the location of domestic hotels. In order to address the aim of the study, the respondents were asked to choose three preferred images from six alternative locations and state

their reason. The location for domestic hotels included the floating market, Ratchaburi province; Chaopraya river, Bangkok, Khaoyai National Park, Nakhon Ratchasima province, Phi Phi Island, Phuket province and Hua Hin beach, Prachaup Khirikhan province. The following Table 4.6 shows the six locational choices. The image are repeated here (see also Table 4.6) to assist the easy interpretation of findings in this section.

Table 4. 6 The six images provided to the respondents to select locations for domestic hotels

| | | |
|---|--|---|
|  |  |  |
| 1) Floating market | 2) Chao Praya River | 3) Khao Yai National Park |
|  |  |  |
| 4) Phi Phi Island | 5) Hua Hin beach | 6) Pai |

From the results, over half of respondents (73.4%) chose the fourth image, (Phi Phi Island) to be the first preferred location for domestic hotels. The reason respondents chose this location was that nearly 60% of the respondents emphasized the

environment as an attraction, and good weather in the area. Such a location can be a part of the product and service which add to the experience for the guest (Oppermann, 1998; Fyall et al., 2003).

The third image, (Khao Yai National Park) was the second preferred location. The reasons for choosing this image were that (31%) of respondents considered Khao Yai National Park to be a place for relaxation, twelve percent considered its good weather and eleven percent considered the good view.

The sixth image, (Mae Hong Sorn) was the third preferred location. The reason for choosing this image was the rural atmosphere of the location and the scope for privacy and escape in this setting.

4.3.1.4 Additional services

Additional services have a significant role in the development of domestic hotels and across the hotel industry. They enable the hotel to meet the service requirements of guests. With more facilities, guests can diversify their experience at the hotel (Mcintosh & Siggs, 2005). This section investigates specific requirements of domestic hotel users toward additional facilities in these kinds of hotels. The respondents were asked to describe three main additional needs for facilities in the domestic hotel. The main features identified are listed in Table 4.7.

Table 4. 7 Additional service requirement

| No | Categories | Frequency | % |
|-----------|---------------------------|------------------|----------|
| 1 | Exercise room | 211 | 63.2 |
| 2 | Outlet facilities service | 176 | 52.7 |
| 3 | WIFI | 131 | 39.2 |
| 4 | Beverage corner | 130 | 38.9 |

An exercise room was one of the additional service requirements. This term covers the topics of a pool, massage area and fitness facilities. In a study of guest satisfaction in midscale hotels in America such facilities were one of the significant predictors of overall guest satisfaction (Mattila & O'Neill, 2003; Voss, 2006).

Outlet facilities were one of the additional service requirement perceived by the respondents. In this study, outlet facilities included a restaurant, a conference room, a coffee shop, an internet room and a salon. Yee et al. (2009) found that such facilities have a significant and direct impact on customer satisfaction. From the results, outlet facilities service were mentioned frequently (52.7%) by respondents as a requirement. Specific but occasional examples of additional outlets that were mentioned by respondents that domestic hotels should provide for the guests included an Italian, French, or Chinese restaurant.

Finally, the topic of WIFI was mentioned and this facility has currently become the most important additional requirement for guests in the hotel sector. Results indicated that almost 40% of respondents expected free WIFI in the hotel area, such as the lobby, and the coffee shop. The respondents also claimed that domestic hotels should provide complementary WIFI to the guests or otherwise provide internet service at a business center.

There were a few additional facilities mentioned by respondents. These requirements included an all hours groceries store, a unique corner for photos, pet or kennel areas, a long distance calling service center, a hot spring service, and post office access. In this kind of study when respondents are asked for required items long lists are often generated. It is therefore important to focus on the dominant items: the exercise based facilities, food services and WIFI.

4.3.1.5 Requirement for special activities

Special activities have a significant role in attracting domestic tourists. The special activities assist tourists to gain diverse experience from their accommodation (Sagnarong, 2009). In the western context, definitions of specialist accommodation frequently mention the importance of providing guests with distinctive activities at or near the guest house or property (Moscardo, Morrison, Pearce, Lang, & O'Leary, 1996) . In the Thai context, domestic hotels have been integrating their service offering and specific activities. Consequently, this section investigates special activity requirements that Thai domestic hotel users expect to experience. More specifically, the respondents were asked to identify three required or preferred activities.

Table 4.8 presents the special activities that domestic hotel users expect to experience while staying in domestic hotels. There were four major special activities that were required by the respondents. They include adventure activities, activities organized by the hotel, seasonal activities and regional activities, and the ability to explore tourist attractions.

Table 4. 8 Special activities identified by domestic hotel users

| No | Categories | Frequency | % |
|----------|--|-----------|------|
| 1 | Adventurous activities | | |
| | Scuba diving | 104 | 31.1 |
| | Canoeing | 96 | 28.7 |
| | Riding elephants | 67 | 20.1 |
| | Trekking | 46 | 13.8 |
| | Total | 313 | 93.7 |
| 2 | Activities organized by the hotel | | |
| | Party for the guest | 81 | 24.3 |
| | Cooking | 65 | 19.5 |
| | Total | | 43.8 |
| 3 | Seasonal activities and region activities | | |
| | Loy krathong (Floating decoration) | 55 | 16.5 |
| | Songkran (Water festival or Thai new year) | 46 | 13.8 |
| | Special regional activities | 90 | 26.9 |
| | Special religious activities | 37 | 11.1 |
| | Total | | 68.3 |
| 4 | Explore tourist attractions | | |
| | Floating market | 98 | 29.3 |
| | Historical sites | 80 | 24.0 |
| | National park | 75 | 22.5 |
| | Total | | 75.8 |

From the results, many of the respondents (93.7%) identified adventurous activities as their special activities choice during the stay in domestic hotels. Scuba diving (31.1%) was considered to be a major activity for the respondents. Interestingly, exploring tourist attraction trips were included in the special activities. Results indicated that seventy six percent of the respondents regarded exploring tourist attractions as their

special requirement for activities. Almost 30% of respondents regarded the floating market as their special activity. Regional and seasonal activities also attracted several domestic hotel users. Results indicated that 68.3% of respondents expected to experience particular seasonal and regional activities. Special regional activities were relatively infrequently mentioned by respondents.

Additionally, the activities organized by the hotel also attracted the respondents as their special activities. These activities included a party for the guests and cooking classes. The concept of a party and cooking classes were however mentioned by less than one quarter of the respondents.

4.3.1.6 Desirable staff competencies

This section investigates the staff competencies that domestic hotel users seek. The respondents were asked to identify three required staff skills or abilities. Table 4.9 presents the results of the perceived desirable staff competencies. From the respondents' perspective there were eight desirable staff competencies which included courtesy, responsiveness, reliability, good appearance, communication, competence, credibility, and being flexible in their approach.

Courtesy was regarded as the first and most desirable staff qualification. Courtesy means politeness, respect, consideration, and friendliness of contact personnel (Elliot & Duncan, 2002). From the investigation, most respondents (65.6%) claimed that friendliness of staff can be noticeable when in contact with staff of the hotel (including receptionists, telephone or other operators). Additionally, 30.5% of the respondents also considered politeness to be one of desirable staff qualifications, and 18.3% mentioned good manners.

Responsiveness was also one of desirable staff competencies that domestic hotel users expect to see from staff of domestic hotels. Responsiveness concerns the willingness or readiness of employee to provide service (Juwaneer & Ross, 2003). This ability is noted by Seth and et al. (2005) who stated the importance of the willingness of staff to provide service quickly. In the results, over 30% of respondents considered

willingness of staff to offer services to be a key to staff competencies, while nine percent defined professional service and eight percent mentioned fast service.

Reliability was also considered to be one of desirable staff competencies. Parasuranman et al. (1985) discussed reliability in their conceptual model of service quality. It refers to consistency of performance and dependability of staff to perform the service. In the results, 27.5% of the respondents considered reliability to be a key requirement. Examples respondents provided about reliability were accuracy in billing and performing services at the designated time.

The appearance of the staff was also suggested by respondents as a desirable staff attribute. A good appearance is associated with cleanliness and is a guide to personality (Elliot and Duncan, 2002). In the results, 18% of the respondents regard cleanliness and tidiness as important while personality attributes were mentioned infrequently.

Communication was also regarded as a desirable staff skill in the Thai domestic hotels. Communication means both keeping customers informed in a language they understand and listening to them (Juliet & Robert, 2003). Similarly, Elliot and Duncan (2002) added that well trained staff should adjust their language for different customers by increasing the level of sophistication with the well-educated customers and speaking simply and plainly with a novice. From the results, 17% of respondents suggested that the staff of domestic hotels should have the ability to provide accurate information but only seven percent regarded multiple language skills as important to communicate with international guests. This low figure may be considered in the context of the definition of domestic hotels pursued in this study. The respondents in this study are many Thai users and their concern for multiple language skills is not directly relevant to their needs. The competence of the staff was also considered. Parasuranman et al. (1985) noted that competence means possession of the required skills and knowledge to perform the service. In the results five percent of the respondents identified the knowledge of staff to solve the problems.

The credibility of staff was one of the other perspectives derived from respondents. Jun and et al. (2004) pointed out that credibility involves trustworthiness, believability and serving the customers' interests. From the results 13% of the respondents chose passion for service as a desirable qualification of staff, and 11% mentioned honesty among the staff.

The last desirable staff qualification was for staff to be flexible. Flexibility involves making the effort to respond to customer requirements, such as learning the customers' specific preferences, providing individualized attention and recognizing the regular customer (Elliot & Duncan, 2002). In this study, 14% of the respondents required staff to consider the little details about guests and only 2.4% mentioned adaptation. The full details of the results for this section of the analysis are provided in Table 4.9.

Table 4. 9 The competencies of staff identified by domestic tourists for domestic hotel staff

| No | Categories | Frequency | % |
|----------|---|-----------|------|
| 1 | Courtesy | | |
| | Friendly | 219 | 65.6 |
| | Politely | 102 | 30.5 |
| | Good manner | 62 | 18.6 |
| 2 | Responsiveness | | |
| | Willingness of staff to provide service | 106 | 31.7 |
| | Professional service | 30 | 9.0 |
| | Fast service | 27 | 8.1 |
| 3 | Reliability | | |
| | Consistency of service | 92 | 27.5 |
| | Keeping up a service standard | 23 | 6.9 |
| 4 | Good appearance | | |
| | Cleanliness and tidies | 59 | 17.7 |
| | Personality | 13 | 3.9 |
| 5 | Communication | | |

| No | Categories | Frequency | % |
|----------|-------------------------------------|-----------|------|
| | Ability to provide information | 55 | 16.5 |
| | Languages multiple | 19 | 5.7 |
| 6 | Competence | | |
| | Ability to cover the problem | 17 | 5.1 |
| | Knowledge about product and service | 16 | 4.8 |
| 7 | Credibility | | |
| | Passion for the service | 43 | 12.9 |
| | Honest | 36 | 10.8 |
| 8 | Flexible for service | | |
| | Care about little details | 48 | 14.0 |
| | Adaptation | 8 | 2.4 |

4.4 Linking Domestic Tourists' Profiles to Domestic Hotel Issues

This section of the study investigates the significant relationship among the key profile variables of domestic tourists and the development of domestic hotels. The nature of the data is quantitative. Chi square analysis is the main statistical technique in this part of the study. The results of this section address aim 2 of the study. Only trends ($.10 > p > .05$) and significant relationships ($p < .05$) among domestic hotels and concerns profile variables were reported in the results. Results which are a trend in the data are seen in this study as worth reporting since little previous work on this topic exists and future work with different and large samples might clarify or build on these marginal results. The considerable detail provided in the following section is synthesised in the conducting position of this chapter. Taken together, the long list of individual demographic results and connections to perspectives on the domestic hotels builds a view of the present state and requirement of quests.

4.4.1 Respondents' perspective of hotel features by gender


The respondent's perspectives toward hotel features according to their gender was tested in order to identify any significant relationship. The following Table 4.10 presents the significant relationship between gender and hotel features.

Table 4. 10 The relationship between gender and hotel features

Trend (.10>p>.05)

| Item | Male | Female | Chi-square | Sig |
|-------------|-------|--------|------------|------|
| Cleanliness | 35.4% | 64.6% | 2.76 | 0.06 |

Significant relationship (p<.05)

| Picture | Reason | Male | Female | Chi-square | Sig |
|---|---|-------------------------|-------------------------|------------|------|
| 1 | | 55.9% | 44.1% | 16.21 | .000 |
|  | Thai culture Thai life style Thai community | 40.5% 38.7% 29.3% | 59.5% 61.3% 70.0% | 18.38 | .000 |
| Floating market | | | | | |

In term of trending toward a significant result, gender was identified as a trend in choosing cleanliness, Chi-square (1, $N = 332$) = 2.76, $p = .06$. From the investigation, female respondents (64.6%) were more likely than male respondents in choosing cleanliness as their request when reserving domestic hotels.

For the significant result, there were relationships between gender and the image of the floating market, Chi-square (1, $N=332$), 16.21, $p=.00$. Male respondents (55.9%) were significantly more likely than female respondents to choose the image of floating market as the preferred location for domestic hotels relatively more often.

Investigation was also undertaken to explore further the reasons for choosing the image of the floating market as the preferred location for domestic hotels. In the results, there were significantly differed by gender in stating the reasons in choosing the image of floating market, Chi-square (1, $N=332$), 18.38, $p = .00$. Female respondents were significantly more likely to state the reasons in choosing the preferred image. Seventy percent of female respondents were significantly more likely to state, in order, the Thai community as a first reason in choosing the image of the floating market, while over 60% of the female respondents claimed Thai life style as a second reason and almost 60% of the female respondents mentioned Thai culture as a third reason. The reasons the male respondents gave for preferring the market images were in order of importance Thai culture, Thai life style and Thai community.

4.4.2 Respondents' perspective of hotel features by age

The relationship between age and preferred hotel features was also considered (Verhoef et al., 2002). Blattberge et al. (1994) noted that gaining knowledge about visitor preferences can be relatively important customer information. These researchers have supported the view that age can be one of the important key variables in finding significant with hotel features. It was considered that age might be related to travel experience and the perspective of domestic tourists in choosing the hotel. The respondents' ages were divided into 3 groups (1:26-35, 2: 36-50 and 3, 51 or older). The following Table 4.11 presents the relationship between ages and hotel features.


Table 4. 11 The trend toward significant relationship between age and hotel features
Trend ($.10 > p > .05$)

| Item | 26-35 | 36-50 | 51 or older | Chi-square | Sig |
|------------------------|-------|-------|-------------|------------|-----|
| Cleanliness | 45.3% | 43.8% | 25.9% | 4.80 | .09 |
| Adventurous activities | 63.3% | 30.8% | 5.9% | 5.59 | .06 |

In term of trending toward a significant result, age was identified as a trend in choosing cleanliness, Chi-square (1, N = 329) = 4.80, p =.09. In the results, those who were 26-35, (45.3%) of the respondents were more likely than other age groups to choose cleanliness as a primary requirement in reserving domestic hotels. For the special activities, age was also identified as a trend in choosing the adventurous activities. From the investigation, those who were 26-35, (63.3%) of the respondents were more likely than other age groups to choose the adventurous activities as their special activities during a stay in domestic hotels.

The respondent’s perspectives toward hotel features according to their age was tested in order to identify any significant relationship. The following Table 4.12 presents the relationship between age and hotel features.

Table 4.12 The trend toward significant relationship between age and hotel features
Trend (.10>p>.05)

| Picture | Reason | 26-35 | 36-50 | 51 or older | Chi-square | Sig |
|---|---|-------------------------|-------------------------|-----------------------|------------|-----|
| 1 | | 53.5% | 35.3% | 11.2% | 4.81 | .09 |
|  Floating market | Thai culture Thai life style Thai community | 40.5% 61.3% 55.1% | 51.4% 29.0% 31.6% | 8.1% 9.7% 13.3% | 11.54 | .07 |

For the preferred location of domestic hotel, ages were identified as a trend in choosing the image of floating market, Chi-square (1, N = 329) = 4.81, p =.09. In the results, ages 26-35, (53.5%) of the respondents were more likely than other age groups in choosing the image of floating market as the preferred location of domestic hotels.

Investigation was also undertaken to explore further the reasons for choosing the image of the floating market. In the results, the percentages of respondents in stating

the reasons for the choosing the image were more likely differed by ages, Chi-square (1, N=329), 11.54, $p = .07$. The highest percent of respondents in stating Thai culture as a reason (63.6%) were more likely from ages 36-50, the highest percent of respondents in claiming a Thai life style (61.3%) were from ages 26-35, and the highest percent of respondents in referring to be Thai community (55.1%) were from ages 26-35.

The respondent's perspectives toward hotel features according to their age was tested in order to identify any significant relationship. The following Table 4.13 presents the relationship between age and hotel features.

Table 4.13 The significant relationship between age and hotel features

Significant relationship ($p < .05$)

| Item | 26-35 | 36-50 | 51 or older | Chi-square | Sig |
|--------------------------|-------|-------|-------------|------------|-----|
| Good appearance of staff | 49.2% | 33.8% | 16.9% | 8.45 | .01 |
| WIFI | 61.3% | 35.3% | 3.4% | 5.87 | .05 |


For the significant results, there were significant relationship between age and the good appearance of staff, Chi-square (1, N = 329) = 8.45, $p = .01$. Ages (26-35), (49.2%) of the respondents significantly were more likely to choose a good appearance as a desirable staff attributes.

WIFI has become one of the specific requirements of domestic hotel users that enable them to experience new product and service requirement (Forrester research, 2013). In the results, there were significant relationships between age and WIFI, Chi-square (1, N = 329) = 5.87, $p = .05$. Ages 26-35, (61.3%) of the respondents were significantly more likely than other ages to require WIFI during their stay in domestic hotels.

The respondent's perspectives toward hotel features according to their age was tested in order to identify any significant relationship. The following Table 4.14 presents the relationship between age and hotel features

Table 4.14 The significant relationship between age and hotel features

Significant relationship ($p < .05$)

| Picture | Reason | 26-35 | 36-50 | 51 or older | Chi-square | Sig |
|--|--------------------|-------|-------|-------------|------------|------|
| 4 | | 61.0% | 30.7% | 8.3% | 5.46 | 0.04 |
|  <p>Phi Phi Island</p> | Near attraction | 63.6% | 28.9% | 7.5% | 14.76 | .02 |
| | Good weather | 40.0% | 40.0% | 20.0% | | |
| | Full of activities | 63.2% | 36.8% | 0.0% | | |
| | | | | | | |

In terms of the preferred image of domestic hotels location, there were significant relationship between ages and the image of Phi Phi Island, Chi-square (1, $N = 329$) = 5.46, $p = .04$. Ages, 26-35 (61.0%) of the respondents were significantly more likely than other age groups to choose the image of Phi Phi as the preferred location of domestic hotels.

The reasons for choosing the image of the Phi Phi Island to be a preferred location for domestic hotels was investigated. In the results, there were significant differences by age in stating the reasons of choosing the image of Phi Phi Island, Chi-square (1, $N = 329$) = 14.76, $p = .02$. The highest percent of respondents in stated near the attraction as a reason for choosing the image (63.6%) and were significantly more likely to be 26-35 years old. The highest percent of respondents claiming good weather (40%) were significantly more likely from ages 36-50 and the highest percent of respondents referring to a full set of activities 63.2% were also 26-35.

4.4.3 Respondents' perspective of hotel features by income

Income of respondents is an important consideration in the study of hotel preferences. Pizam and Ellis (1999) suggested that income is a basic element to evaluate customer experience in the service industry. Oh and Par (1998) observed that a change in annual income may result in a change in customer experience and satisfaction. Income is one of the attributes in understanding customer decision making in purchasing hospitality industry products (Pizam & Ellis, 1999). As a result, income was investigated in this study to explore whether or not it was significantly related to hotel features. The following Table 4.15 presents the relationship between income and hotel features. Income was categorized into 4 groups (1: less than 300,000, 2: 310,000 - 460,000, 3: 460,000-600,000 and, 4: 610,000-1 million).

Table 4.15 The trend toward significant relationship between income and hotel features

Trend (.10>p>.05)

| Item | < 300,000 | 310,000-450,000 | 460,000-600,000 | 610,000-1million | Chi-square | Sig |
|--------------------------|-----------|-----------------|-----------------|------------------|------------|-----|
| Seasonal activities | 36.7% | 40.1% | 14.3% | 8.8% | 6.60 | .08 |
| Good appearance of staff | 45.5% | 24.2% | 16.7% | 13.6% | 6.74 | .08 |

For the findings trending toward a significant result, income was identified as a trend in choosing seasonal activities, Chi-square (1, $N = 328$) = 6.60, $p = .08$. In the results, income 310,000 to 600,000 Bht (40.1%) of the respondents were more likely to choose seasonal activities. Income was also identified as a trend in emphasizing the good appearance of staff, Chi-square (1, $N = 328$) = 6.74, $p = .08$. Income less than 300,000 Bht (45.5%) of the respondents was more likely to be associated with the good appearance in domestic hotels.

The respondent's perspectives toward hotel features according to their income was tested in order to identify any significant relationship. The following Table 4.16 presents the relationship between income and hotel features

Table 4.16 The significant relationship between income and hotel features

Significant relationship ($p < .05$)

| Item | < 300,000 | 310,000-450,000 | 460,000-600,000 | 610,000-1million | Chi-square | Sig |
|---------------------------|-----------|-----------------|-----------------|------------------|------------|-----|
| Good promotion | 34.2% | 44.7% | 13.2% | 7.9% | 8.55 | .03 |
| Additional outlet service | 39.5% | 37.0% | 10.0% | 13.5% | 11.86% | .00 |
| Adventurous activities | 50.6% | 29.8% | 10.1% | 9.5% | 7.65 | .05 |
| Courtesy staff | 40.3% | 38.1% | 12.5% | 9.2% | 8.89% | .03 |

In term of significant result, there were relationships between income and promotion, Chi-square (1, $N = 328$) = 8.55, $p = .03$. Those with an income from 310,000-450,000 Bht (44.7%) of the respondents were significantly more likely to choose promotion as the specific requirements in reserving domestic hotels.

Additional outlet service was also considered by respondents to be one of the specific requirements in reserving domestic hotels. In the results, there were significant relationships between respondents' income and additional out services, Chi-square (1, $N = 328$) = 11.86, $p = .00$. Income less than 300,000 Bht (39.55%) of the respondents were significantly more likely to choose additional outlets service.

Adventurous activities were one of specific requirements for special activities. In the results, there were significant relationship between income and adventurous activities, Chi-square (1, $N = 328$) = 7.65, $p = .05$. Those with an income less than 300,000 Bht (50.6%) were significantly more likely to regard adventurous activities as the major set of special activities that domestic hotels should provide to domestic hotel users.

Courtesy of staff was also considered by respondents as one of the desirable staff attributes in domestic hotels. Courtesy in this study included good manner and friendliness. In the results, there was a significant relationship between income and courtesy of staff, Chi-square (1, $N = 328$) = 8.89%, $p = .03$. Income less than 300,000 Bht (40.3%) of the respondents was significantly more likely than other respondents' income to choose courtesy of staff to be one of the desirable staff attributes in domestic hotels.

4.4.4 Respondent's perspective of hotel features by frequency of hotel stay

Frequency of stay was another key variable of respondents in the study to examine the relationship with hotel features. Frequency of visiting a hospitality enterprise was one of the quality assessments in measuring customer satisfaction (Ekinici & Riley, 1998). Pizam and Ellis (1999) suggested that frequency of visiting indicate level of customer experience and satisfaction. As a result, frequent of stay was tested in this study to explore whether or not there were any significant relationships. Frequency of stay was divided into four groups (1: only one time , 2: 1-5 times, 3: 6-10 times and, 4: more than 10 times). The following Table 4.17 presents the relationship between frequency of stay and hotel features.

Table 4. 17 The trend toward significant relationship between frequency of stay and hotel features

Trend (.10>p>.05)

| Item | Only one time | 1-5 times | 6-10 times | >10 times | Chi-square | Sig |
|------|---------------|-----------|------------|-----------|------------|-----|
|------|---------------|-----------|------------|-----------|------------|-----|


| | | | | | | |
|---------------------|------|-------|-------|-------|------|------|
| Competence of staff | 6.1% | 66.7% | 12.1% | 15.2% | 7.84 | 0.06 |
|---------------------|------|-------|-------|-------|------|------|

Competence of staff was one of the desirable staff qualifications in domestic hotels. Tsang and Qu (2000) suggested that competence of staff was a key factor in the service transaction. In this study, competence of staff is associated with ability to solve the problems and working knowledge. In terms of trending toward significance, frequency of stay was identified as a trend in choosing competency of staff, Chi-square (1, N = 330) = 7.84, p =.06. From with a frequency of stay from one to five times (66.7%) of the respondents were more likely than other frequency of stay in choosing competency of staff.

The respondent's perspectives toward hotel features according to their frequency of stay was tested in order to identify any significant relationship. The following Table 4.18 presents the relationship between frequency of stay and hotel features.

Table 4. 18 The trend toward significant relationship between frequency of stay and hotel features

Trend (.10>p>.05)

| Picture | Reason | Only one time | 1-5 times | 6-10 times | >10 times | Chi-square | Sig |
|---|-----------------|---------------|-----------|------------|-----------|------------|-----|
| 1 | | 17.2% | 42.0% | 16.6% | 24.3% | 5.22 | .07 |
|  | Thai culture | 8.6% | 45.7% | 20.0% | 25.7% | 14.70 | .09 |
| | Thai life style | 22.6% | 25.8% | 25.8% | 25.8% | | |
| | Thai community | 19.2% | 44.4% | 11.1% | 25.3% | | |

Frequency of stay also was identified as a trend in choosing the image of the floating market, Chi-square (1, N = 330) = 5.22, $p = .07$. In the results, those with a frequency of stay from one to five times (42% of the respondents) were more likely to choose the image of floating market to be the preferred location for domestic hotels.

For the reason of choosing the image of floating market, frequency of stay was also identified as a trend in stating the reason, Chi-square (1, N = 330) = 14.70, $p = .09$. The highest percent of respondents in stating Thai culture as a reason (45.7%) were more likely from frequency of stay from one to five times, the highest percent of respondents in claiming Thai life style (25.8%) were frequency of stay from one to five times, frequency of stay from six to ten times and more than ten times. For the highest percent of respondents in referring Thai community, (44.4%) were more likely from frequency of stay one to five times.

The respondent's perspectives toward hotel features according to their frequency of stay was tested in order to identify any significant relationship. The following Table 4.19 presents the relationship between frequency of stay and hotel features.

Table 4.19 The significant relationship between frequency of stay and hotel features

Significant relationship ($p < .05$)

| Item | Only one time | 1-5 times | 6-10 times | >10 times | Chi-square | Sig |
|----------------|----------------------|------------------|-------------------|---------------------|-------------------|------------|
| Good promotion | 7.0% | 43.0% | 14.0% | 36.0% | 12.97 | .00 |


In term of significant result, there were significant relationship between frequency of stay and good promotion, Chi-square (1, N = 330) = 12.97, $p = .00$. Those with a frequency of stay one to five times (43%) were significantly more likely to consider a good promotion as attracting them to reserving domestic hotels.

4.4.5 Respondents' perspective about hotel features in different province

This section investigates the relationship among respondent's perspectives about hotel features from the three regions. The provinces in this study included Prachuap Khirikhan, Chonburi and Nakhon Ratchasima where they were surveyed. In order to explore whether there were significant relationships among respondents from the three regions and hotel features, the Chi square test was employed to explore the relationships. The following Table 4.20 summarizes the relationship between three regions and desire hotel features.

Table 4.20 The trend toward significant relationship between province and hotel features

Trend (.10>p>.05)

| Picture | Reason | Prachuap Kirikhan | Chonburi | Nakhon Ratchasima | Chi-square | Sig |
|---|------------------|-------------------|----------|-------------------|------------|-----|
| 2 | | 37.7% | 33.3% | 28.9% | 7.43 | .08 |
|  | Good atmosphere | 41.9% | 41.9% | 16.1% | 11.52 | .07 |
| Chao Phraya River | Good scenery | 45.9% | 21.6% | 32.4% | | |
| | Choice of travel | 30.4% | 34.8% | 34.8% | | |

In term of trending toward a significant result, respondents from different provinces were identified as a trend in choosing the image of Chao Phraya River, Chi-square (1, N = 334) = 7.43, p =.08. In the results, Prachuap Kirikhan respondents (41.9%) were more likely than respondents from other provinces to choose the image of Chao Phraya River as the preferred location for domestic hotels.

For the reasons of choosing the image, data from respondents in the three provinces also revealed as a trend in stating the reasons, Chi-square (1, N = 334) = 11.52, p =.07.

Prachaup Kirikhan and Chonburi province respondents were both more likely to state a good atmosphere as a reason in choosing the image of Chao Phraya River, while Phrachaup the respondents were more likely to claim good scenery, and Chonburi and Nakhon Ratchasim respondents were more likely to mention a choice of local of travel options.

The respondent’s perspectives towards hotel features according to their provinces were tested in order to identify any significant relationships. The following Table 4.21 presents the relationship between provinces and hotel features.

Table 4.21 The significant relationship between province and hotel features

Significant relationship (p<.05)

| Item | Prachaup Kirikhan | Chonburi | Nakonrathcasima | Chi-square | Sig |
|-----------------------|--------------------------|-----------------|------------------------|-------------------|------------|
| Amenities in bathroom | 17.4% | 46.5% | 36.0% | 15.8 | .00 |
| Good appearance | 31.9% | 14.5% | 53.6% | 14.6 | .00 |

For the significant results, there were significant relationships among the three provinces and amenities in bathroom, Chi-square (1, N = 334) = 15.8, p =.00. Chonburi province the respondents were significantly more likely than those from other provinces to consider amenities in bathroom as a specific requirement when reserving domestic hotels.


Good appearance of staff was one of the desirable staff attributes that was required by respondents. Nickson and et al. (2005) suggested that employees are now expected to not only demonstrate technical skills but also have the ability to “look good”, or “sound right” to increase customer experience. Lockyer and Scholarios (2004) noted that it is increasingly recognized that employee appearance is seen as a hospitality

statement for customer care and service. In the results, there were significant relationships among respondents from the three provinces and the good appearance of staff, Chi-square (1, N = 334) = 14.6, $p = .00$. Those significantly more likely to choose the good appearance of staff as a desirable staff attribute (53.6%) were from Nakhon Ratchasima province

The respondents' perspectives toward hotel features according to their provinces were tested in order to identify any significant relationship. The following Table 4.22 presents the relationship between provinces of stay and hotel features.

Table 4.22 The significant relationship between province and hotel features

Significant relationship ($p < .05$)

| Picture | Reason | Prachaup Kirikhan | Chonburi | Nakorn Ratchasima | Chi-square | Sig |
|---|------------|-------------------|----------|-------------------|------------|-----|
| 6 | | 25.4% | 39.2% | 35.4% | 12.83 | .02 |
|  | Country | 25.2% | 32.5% | 42.3% | 23.52 | .01 |
| | Atmosphere | 25.0% | 60.0% | 15.0% | | |
| | Privacy | 25.8% | 51.6% | 22.6% | | |
| | Relaxation | | | | | |

For the preferred image of domestic hotels location, there were significant relationships among domestic tourists from three provinces and image of Pai, Chi-square (1, N = 334) = 12.83, $p = .02$. Those from Chonburi province (39.2%) were significantly more likely than respondents from other provinces to choose the image of Pai as a preferred location for domestic hotels.

In considering the reasons for choosing the image of Pai as a preferred location for domestic hotels, there were significant differences among three provinces and the

reasons in choosing the image, Chi-square (1, $N = 334$) = 23.52, $p = .01$. Those from Nakhonratchasima province (42.3%) were more likely to emphasize country atmosphere as a reason of choosing the image of Pai, those from Chonburi province (60%) were significantly more likely to refer to privacy and those from Chonburi province (51.6%) were significantly more likely to mention relaxation.

4.4.6 Respondents' perspective of hotel features by travel experience

It can be contended that travel experience has an important influence on the consumer satisfaction with a given service (Otto and Ritchie, 2000). Carmen et al. (2007) have emphasized that the previous experience of customers predicts levels of satisfaction and loyalty. As a result, a better understanding of customer experience in the hospitality industry will increase performance of the industry. This study attempts to investigate whether or not there were significant relationships among respondents' perspective toward hotel features according to their travel experience. Travel experience was divided into 4 groups (1: not travelled much from my own city, 2: travelled to several cities, 3: travelled all over Thailand, 4: Travelled over Thailand and overseas). The following Table 4.23 presents the relationships between frequency of travel and a range of preferences.

Table 4. 23 The trend toward significant relationship between travel experience and hotel features (activities required)

Trend (.10>p>.05)

| Item | Not travelled much from my own province | Travelled to several provinces | Travelled all over Thailand | Travelled over Thailand and overseas | Chi-square | Sig |
|------------------------|---|--------------------------------|-----------------------------|--------------------------------------|------------|-----|
| Adventurous activities | 2.45% | 61.6% | 21.6% | 15.0% | 7.07 | .07 |
| Explore the tourist | 1.3% | 56.2% | 30.1% | 12.4% | 6.30 | .09 |


| | | | | | | |
|-------------|--|--|--|--|--|--|
| attractions | | | | | | |
|-------------|--|--|--|--|--|--|

In terms of trending toward a significant result, travel experience was identified in choosing adventurous activities, Chi-square (1, N = 328) = 7.07, p =.07. Those who had travelled to several provinces in Thailand particularly emphasized adventurous activities and exploring attractions.

The respondent's perspectives toward hotel features according to their travel experience were tested in order to identify any significant relationship. The following Table 4.24 presents the relationship between frequency of stay and hotel features.

Table 4.24 The trend toward significant relationship between travel experience and hotel features (activities required)

Trend (.10>p>.05)

| Picture | Reason | Not travel outside country | Travel to several provinces | Travel all over Thailand | Travel Thailand and overseas | Chi-square | Sig |
|---|--------------------|----------------------------|-----------------------------|--------------------------|------------------------------|------------|-----|
| 4 | | 4.2% | 56.5% | 24.7% | 14.6% | 6.84 | .07 |
|  | Near attraction | 4.8% | 53.2% | 26.3% | 15.6% | 3.86 | .09 |
| | Good weather | 0.0% | 69.0% | 17.2% | 13.8% | | |
| | Full of activities | 5.3% | 68.4% | 15.8% | 10.5% | | |

For the preferred image of the location of domestic hotels, travel experience was identified as a trend in choosing the image of Phi Phi Island, Chi-square (1, N = 328) = 6.87, p =.07. Travel experience (travel to several provinces) (56.5%) of the respondents were more likely than other travel experiences to choose the image of Phi Phi Island. Reasons for this choice focused on being near attractions and good weather.

The respondents' perspectives toward hotel features according to their travel experience were tested in order to identify any significant relationship. The following Table 4.25 presents the relationship between travel experience and hotel features.

Table 4.25 The significant relationship between travel experience and hotel features (activities required)

Significant relationship ($p < .05$)

| Item | Not travelled much from my own province | Travelled to several provinces | Travelled all over Thailand | Travelled over Thailand and overseas | Chi-square | Sig |
|--|--|---------------------------------------|------------------------------------|---|-------------------|------------|
| Reserve before reserving domestic hotels | 2.9% | 57.7% | 24.7% | 24.7% | 8.91 | .03 |
| Good appearance staff | 3.0% | 48.5% | 39.4% | 9.1% | 7.7 | .05 |

In term of significant results, there was a relationship between travel experience and the practice of reserving domestic hotels, Chi-square (1, $N = 328$) = 8.91, $p = .03$. Inexperienced travelers rarely reserve rooms ahead while the more experienced travel groups did so well much greater frequency (57% and 24%).

Good appearance was also regarded as one of the desirable staff attributes that domestic tourists expected to see in domestic hotels. In the results, there were significant relationship between travel experience and the good appearance of staff,

Chi-square (1, $N = 328$) = 7.7, $p = .05$. Moderately experienced domestic Thai travellers were significantly more likely than other travel experience groups to consider the appearance of staff.

4.4.7 Types of hotel service by hotel features

Another variable of potential interest in this study was that of guests' previous recent experience in domestic and international hotels. The data collected on studying in international hotels revealed that only 10% of the sample had this kind of experience. These low numbers limit the value of extensively exploring this variable. Some key differences from this limited data are presented in Appendix 4.2. Further, the most important findings from this data are included in the next concluding section of this chapter.

4.5 Conclusion and Discussion

This study was conducted to pursue two main research questions: to investigate the perspective of related stakeholders to the development of domestic hotels and the hotel industry, and to investigate the relationships among the profile of domestic hotel users and their perspective on the development of domestic hotels. Several conclusions can be drawn from the findings of the study as followings:

Aim 1: To investigate perspective of related stakeholders to the development of domestic hotels and the hotel industry

The study found that several specific service requirements were rate highly by respondents in the assessment of domestic hotels. The specific service requirements in the findings included good service when reserving domestic hotels, key facilities for the in-room requirements, clear preferred locations for domestic hotels, additional service facilities requirements, additional activities requirements, and desirable staff qualifications.

For the requirements when reserving the hotel, attentive service, cleanliness of the hotel and good location were found to be significant. Wuest et al. (1996) pointed that the perception of hotel attributes which are critical for guests' stay in a hotel and include these same kinds of service facilities, cleanliness, standard of service, security, personal service and physical attractiveness. Similarly, Guzzo (2010, p.4) highlighted that for the customer satisfaction in the hotel industry the requirements of high guest touristic services, and standards are all important. Researchers have suggested that hoteliers need to fully appreciate which service attributes are most likely to influence customers' choice (Richard & Sundaram, 1993). The majority of the respondents also stated that they reserved the hotel by considering key aspects, notably hotel facilities and the location of the area. It is clear that in a competitive hospitality industry, the individual hotelier must be able to respond and satisfy customers better than their competitors and promoting local strengths, as relevant, becomes a key marketing strategy and promoting local strengths, as relevant, become a key marketing strategy (Choi & Chou, 2001).

In terms of facilities in-room, most respondents rated as important in-room technology facilities, necessary "home-like" facilities and additional service space as the most important requirements. Pizam and Ellis (2009) pointed that service facilities can be useful to attract or retain a customer. The study found from respondents that the necessary in-room facilities were related to hot water, a suitable bathroom, air conditioning, a comfortable bed, a refrigerator, a hair dryer and a minibar. Respondents mentioned that staying with hotels where the facilities made them feel like being at their home was value. The requirements of customer create the challenge of maintaining high levels of service, awareness of customer expectations and improvement in service and product (Naumann, 1995). The results of this study also showed that respondents demonstrated their interest in technology-based facilities such as flat screen TV and WIFI service. Moreover, additional space in the rooms such as living room and kitchen area were also seen as quality extras by respondents. The reason might be that respondents want to feel that they stay "at home" where they can cook while staying in the hotel. These needs of the Thai domestic tourist seem to be based on clear objective attributes of product and service as offered by hospitality organization (cf. Pizam & Ellis, 2009). As researchers have noted location can be a

key part of products and services that increases customers' experience and satisfaction (Inskeeper, 1996; Oh & Park, 2007; Oppermann, 1998; Vavra, 1997).

As researchers have noted, location can be a key part of products and services that increases customers' experience and satisfaction (Oppermann, 1998; Inskip, 1996; Oh & Park, 2007; Opperman, 2007). The preferred locations for domestic hotels were identified in the study. It was found that there were three preferred images chosen by respondents. First, the majority of respondents chose the image of Phi Phi Island as the best location for domestic hotels and the reason for choosing that setting was the nearby attractions and available activities. Second, some respondents chose the image of Khaoyai National Park as a location for domestic hotels with the reason for the choice being a perception that it is a suitable place for relaxation. Some respondents mentioned activities in Khao Yai national park, such as camping, trekking, bird watching and undertaken a night safari. Third, respondents mentioned the image of Pai as a location for domestic hotels and its country atmosphere was the main reason of choosing the image. Moreover, respondents also demonstrated an interest in the activities at Pai, such as trekking, camping, riding elephant.

For additional service requirements, exercise rooms, outlet facilities and WIFI were highlighted. The majority of the respondents considered an exercise room and additional outlets as the most important extra requirements. Rowley (1999) highlighted in a study of customer satisfaction that there were significant relationships between customer experience and these kinds of service facilities. The present results showed respondents' interest outlet facilities as additional service requirements which included restaurants, conference rooms, coffee shops and salons. These interests were similar to those found in the work of Dabholkar (1996) who linked customer satisfaction, service attributes (physical facilities, people's behavior) and service quality. Additionally, WIFI was also an important additional service requirement. It was found that WIFI is now placed as a priority list for guest requirement when staying in the domestic hotels. WIFI can enhance guest experience in terms of how guest connect with the hotel and how guest manage their property experiences (Forrester, 2013). The results showed that respondents enjoyed using free wireless WIFI in the guest room and within the hotel to check email and upload Facebook.

Therefore, it can be suggested that WIFI availability is an additional service which can influence customers in reserving domestic hotels.

In term of special activities, adventurous activities, activities organized by the hotel, and seasonal activities were noted by respondents. From the results, the majority of respondents were interested in adventurous activities such as scuba diving, canoeing, riding elephants and trekking. The results also showed that some respondents chose to stay at domestic hotels where the special activities are organized or included in a special promotional offer, such as cooking classes, concerts, and fashion shows. In a similar domain, Zeithaml and Bitner (2000) and Petrick (2004) have noted that the consequence of activities at the attraction result in increase of customer satisfaction. Moreover, seasonal activities were found important to respondents. Some respondents mentioned that they were interested in regional activities including Loy Kratong, Songkran and occasional and regional activities. It can be suggested that special activities offered or linked to the hotel might attract respondents. Therefore, the special activities can be beneficial to both customer experience and the domestic hotels (Spinks et al., 2005).

This study also confirmed the importance of desirable staff qualifications as specific requirement of respondents. Measurable service in hospitality industry can be assessed by staff performance. This study found that the desirable staff skills and qualifications were courtesy, responsiveness and reliability (Van Iwaarden et al., 2001). Courtesy was considered to be one of the important staff skills in this study. The results showed that most respondents expected to see friendliness and politeness of staff when service was provided. Responsiveness was considered by respondents as an important of desirable staff style. An example of responsiveness was found when staff provides fast and quick service in response to requirement of customer (Juwanherr & Ross, 2003). Finally, reliability was also found to be important in the appraisal of staff. In the results, respondents expected to see staff being honest and doing task on time. Therefore, it can be suggested that desirable staff skills were an important and well-defined part of the mix of considering drawing customer to domestic hotels.

Aim 2 To investigate the relationship among profiling of domestic hotel users and their perspective on the development of domestic hotels

This part of the chapter was conducted to investigate the relationships among the respondents' profile and their perspectives on the development of domestic hotels. The study found that the profiling of respondents had a number of significant relationships to their perspective on the development of domestic hotels. The profiling of respondents which were investigated in this study included gender, age, income, cities, frequency of stay, travel experience and type of hotel services. In presenting all these specific relationships and links, the researcher is aware of the issue of "false positive", that is statistically significant results appearing by chance because of the large number of that conducted. The results in this section and their implications are therefore presented as foundation or indicative points of interest in a study topic where there are no precedents of previous work. All of the following details can therefore be seen as conveying a broad sense of these linking in the work rather than a theoretically derived analysis.

Appearance and courtesy of staff were found to be significantly related to respondents' profile. In terms of the appearance of staff, respondents with in the age group 26-35, mostly from Nakhonratchasima city, and most of whom of them rather travelled several cities and who had stayed in international 4 and 5 star hotels, tended to consider good appearance of staff as attracting them to stay in domestic hotels. Skogland and Siguaw (2004) noted that good personality and cleanliness of uniforms create credibility and lead customer satisfaction. Moreover, respondents with income less than 300,000 regarded staff courtesy as one of the requirements in staying in domestic hotels. Staff courtesy is a key driver of customer satisfaction in hospitality industry (Alzaid & Soliman, 2002). Courtesy of staff is one of top value that determines traveler satisfaction (Choi & Chu, 2001). In summary, age group, cities of respondents, travel experience and type of hotel previous experience were significant relationships to good staff appearance and courtesy.

The preferred images of domestic hotel locations were a key topic of study. Gender, age groups, income, city of respondents and Thai hotel chains (4-5 stars) were found to have significant relationships to the preferred images. From the results, males tended to consider the image of the floating market as the best location of domestic hotels and the reasons of choosing the image were Thai culture, Thai life style and Thai community. In terms of age groups, respondents in the age groups 26-35 were preferred the image of Phi Phi Island as the domestic hotel location and the reasons for choosing the image were nearby attractions, good weather and the availability of many activities. Okello and et al. (2005) and Yerian (2009) have pointed out that image of a location and its tourist activities can be key reasons for tourists to visit. The results also showed that the respondents' location when surveyed was related to the preferred images. Respondents from Chonburi tended to choose Pai as the preferred location for domestic hotels. Privacy, relaxation and country atmosphere were stated as the reasons for the choice. For the type of hotel service, respondents who were used to staying in Thai hotel chain (4-5 stars) preferred the image of Chao Praya River as the location for domestic hotels. Here, good scenery, choice of travel and good atmosphere were stated as the reasons for choosing.

The need for WIFI was also found to be influenced by ages, respondents who were used to staying in both international hotel (4-5 stars) and 2-3 star international hotels. The study found that age groups (26-35) with experience in staying in both international hotel (2-3 stars) and international hotel (4-5 stars) regarded WIFI as one of the top requirements for their domestic hotel use. Some respondents stated that they expected domestic hotels to provide free WIFI not only in the guest room but within the hotel areas, such as lobby, pool, conference room and restaurant. Furthermore, the study also found that the use of WIFI in the hotel encouraged respondents to participate in hotel activities (cf. Zeithaml & Bitner, 2000). An example of the benefits of WIFI can be found in the participation of customers by feedback about hotel service before check out. It can be concluded that WIFI not only benefits the domestic hotel users but can be a tool for the hotel to promote or evaluate its product and services.

The theme of Promotion, and its importance was also related to guests' income and the frequency of their stay in domestic hotels. The results showed that respondents with income less than 300,000 Bht, and with a frequency of stay in domestic hotels (1-5 times) tended to consider promotion as a specific requirement. Kotler (1996) has pointed out that customers are influenced by the promotion, price and product of the organizations. An example of promotion that attracts domestic hotel users was complementary dining. The effect of such promotions can greatly influence a customer in buying the product or service (Walker & Larreche, 1996).

For the adventurous activities, significant relationships were found among the income of respondents and those used to staying in domestic hotels. The results revealed that most respondents with income less than 300,000 Bht and respondents who were quite used to stay in domestic hotels were those with the stronger interest. They demonstrated their interest in scuba diving, canoeing, riding elephants and trekking. The appeal of activities at or near the hotel site has often led to customer satisfaction in the hospitality sector (Petrick, 2004). Zeithaml and Bitner (2000) noted that the tourist activities and image of destination may together affect customer satisfaction. As a result, the special activities at the attraction benefit both customer and domestic hotels.

In terms of additional outlet services, a significant relationship to income was revealed. The results showed most respondents with income from 310,000- 450,000 Bht tended to consider outlet facilities as additional service requirements. Some respondents mentioned that they were interested in using services from additional outlet service, such as restaurant, conference room, coffee shop and salon. These statements were similar to Dabholkar (1996) who reported that customer satisfaction has a link with these service attributes.

The practice of reserving domestic hotels was found to have a significant relationship with the travel experience of the respondents. The study revealed that respondents with moderate travel experience (those who had travelled to several cities) tended to consider service issues as attracting them to make a booking. The results also showed that reserving domestic hotels was related to anticipate cleanliness of the hotel and fast

and warm service. Fast and warm service can be create distinctiveness for the hospitality organization (Alzaid & Soliman, 2002). Skogland and Siguaw (2004) noted that fast and warm service creates opportunities for the organization and lead customer satisfaction. Speed and efficiency of checking in for example is a desirable attribute which may lead to repeat reservation (Choi & Chu, 2001).

Taken as a whole, these specific results offer an overview of the emerging domestic hotels sector in Thailand as seen through the eyes of current guests in this particular survey. The next chapter in this thesis considers the perspective of another key stakeholder group-the owners/managers.

Chapter 5 - The Development of the domestic hotel in Thailand: Hotel operators' views of the present situation

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5.6.3 Brief summary

5.7 Conclusion and Discussion

5.1 Introduction

This chapter is concerned with reporting the aims, research process and the findings concerned with the current development of Thai domestic hotels. In particular it assesses the perspective of stakeholders towards the hotel features. Stakeholders in this study included general managers, entrepreneurs and owners of domestic hotels. At times, the term operator is used in this chapter to cover all of these hotel-linked personnel. The research considers the stakeholders' perception of the influential issues that shape the development of domestic hotels and the hotel industry in Thailand. The results of this study will be the basis for constructing chapter 6 and will also assist in understanding the future development of domestic hotels within the context of the Thai hotel industry.

The overall research question of the study is:

- What perspectives do key hotel stakeholders (owners, managers, and entrepreneurs) have concerning the issues identified as shaping the current development of Thai domestic hotels?

To answer the research questions, two specific research aims were developed.

The aims are:

1. To investigate overall perspectives of relevant stakeholders toward the development of domestic hotels in Thailand
2. To explore the relationship among the profiles of key stakeholders and their perspectives on issues seen as influencing Thai domestic hotel activity

5.2 Methodology

5.2.1 Site selection

The investigation was conducted in three Thai provinces, Prachaup Khirikhan, Chonburi and Nakhon Ratchasima where there has been a growth of middle class domestic tourists and where domestic hotels are currently being operated and developed. The stakeholders in this study included 33 hotel owners or general manager and entrepreneurs from the selected provinces.

In the chapter, a qualitative research procedure (a detailed interview) was employed to collect the information. Qualitative research has its specific purpose in uncovering prevailing trends through seeking thoughts and gathering opinions (Johns & Lee-Ross, 1998). The researcher created distinctive interview questions to address the purpose of the study. The overall objective of this study was directed at eliciting responses to specific themes and concerns defining the present state of Thai domestic hotels.

5.2.2 The interview survey

The technique used in this study was a survey based interview. It was the primary data source used in addressing the study aims. In-depth interviews can ascertain precise information on issues of interest to a study (Sekeran, 2003). In-depth interviews to structured questions involve not only planned queries but also enable systematic recording and documenting of responses.

The interview design was based on the results of chapter 3. A seven page interview format was constructed for owners and general managers of the Thai domestic hotels. The interview survey was written in both Thai and English in order to ensure that all the respondents could understand and answer all the questions.

The interview questions were designed to investigate the perspective of hotel operators about the current development of domestic hotels. There were three sections and seven pages in question form. Section 1 consisted of 13 questions. Questions 1 to

question 6 asked respondents to profile their property including specifying the size of the hotel, management style, year of their operation, type of customer, occupancy rate and room rate. Question 7 and question 8 examined the perspectives of hotel operators concerning the influential issues that are shaping the current development of domestic hotels. The influential issues from study 1 were selected and applied in this study which included the impact of terrorism of U.S.A in 2001, the SARS crisis between 2002-2003, Tsunami in Thailand in 2004, Bird flu in Thailand in 2004, the terrorism of the South in 2004, the political crisis of Thailand from 2005-2006, the political crisis of Thailand in 2010, Flooding of Thailand in 2011, the establishment of sustainable tourism of Thailand in 2001, the opening of New Airport in Bangkok in 2006, the promotion of MICE market in 2006, the development of E-Tourism from 2003-2006, the improvement of logistics system, the improvement of the tourist attractions, the improvement of staff competencies in the hotel, increase in demand and taste of Thai tourists in seeking diverse holiday and recreation. The respondents were asked to rank from number 1 the most important influences down to the least important which was assigned a rank of 8. Question 9 was an open-ended question which asked respondents to identify advantages and disadvantages of domestic hotels over international hotels. Questions 10 to 13 were open-ended questions which asked respondents to identify further influential issues. The details of the questionnaire for hotel operators are presented in the Appendix 5.1.

Section 2 investigated the perspective of hotel operators about the trends and issues that will influence the future development of domestic hotels. Respondents were asked to choose one of five possible future scenarios that influence domestic hotels in the next 5-10 years. The last question of section 2 was also open-ended question and asked respondents about the further suggestion of the development of Thai domestic hotels in the next 5-10 years. Data from the future scenarios questions will be discussed in more detail in the next chapter.

Section 3 consisted of the demographic questions. The respondents were asked to identify and verify their own position in this section. Information gained from the respondents included their age, gender, education and current position.

5.2.3 Sampling approach

The sampling frame for this study was derived from two sources, notably the hotel membership directories of the Thai Hotel Association (THA) and the Tourism Authority of Thailand (TAT). Hotel properties had to be operating for at least one-year to qualify for the study. The THA membership represents high quality hotels in service and facilities. The organization supplied 337 registered star hotels from its total of 442 hotels. The further source in the sampling frame was the TAT accommodation directory. There were 105 registered star hotels which were either small to medium hotels. They ranged from moderate to luxury five-star properties in each location. These two listings provided a comprehensive basis to select hotel managers from domestic hotels in each of the three regions being considered.

The data was collected from 27 December 2012 to 10 April 2013. The researcher randomly selected a sample of owners or general managers of 33 domestic hotels from the three provinces of Prachaup Khirikhan, Chonburi and Nakhon Ratchasima provinces. The list of 33 domestic hotels were checked and verified with the Thai hotel association in the selected provinces to check for their continued operation. The sample size of 33 was seen as representing a feasible member of personal interviews randomized access the three regions the sample size of 33 was seen as representing a feasible member of personal interviews randomized access the three regions since the individuals were randomly chosen from a full list and the concept of saturation of information from interviews applies to this sort of material. The researcher contacted the domestic hotels for the permission to interview the owners or general managers. The itinerary of the data collection arranged as shown in Table 5.1.

Table 5. 1 Itinerary of data collection in Prachuabkirikhan, Chonburi and Nakhon Ratchasima provinces from 27 December 2012-10 April 2013

| Date | Location | Data collection | Duration |
|--------------------------------------|---|--|-----------------|
| 27-December 2012 -27 January 2013 | Huahin district, Prachuabkirikhan province | In depth interview and questionnaire survey N= 10 | 31 days |
| 31 January 2013- 3 March 2013 | Bangsaen and Pattaya district, Chonburi province | In depth interview and questionnaire survey N=12 | 31 days |
| 6 March 2013- 10 April 2013 | Khaoyai, Amphurmeong and Pimai district, Nakhonrathchasi ma province | In depth interview and questionnaire survey N= 11 | 35 days |

5.3 Results

The results of this study were divided into two sections. The first component provides the descriptive results reporting the hotel operators' views of the influential issues shaping the current development of domestic hotels. The second component reports the results for the relationship between the profile of the respondents and the influential issues.

5.3.1 Profile of hotel operators as respondents

The demographic profile of the respondents included their gender, age, marital status, education. The demographic profile of the respondents is presented in Table 5.2.

Table 5. 2 Demographics of domestic hotel operators as respondents

| Variable | Categories | % |
|------------------|------------------------|----------|
| Gender | Male | 69.7 |
| | Female | 30.3 |
| Age | 26-35 years | 12.1 |
| | 36-50 years | 60.6 |
| | 51 or above | 27.3 |
| Status | Single | 36.4 |
| | Married | 63.6 |
| Education | High school | 3.0 |
| | Bachelor degree | 57.6 |
| | Post graduate or above | 39.4 |

Some highlights from Table 5.2 are the greater numbers of males in the sample (70%), with the majority of personnel interviewed being 36-50 years old (60%). Most hotel operators who operate the hotel are (64%) married and (58%) held Bachelor degree.

5.3.2 Hotel information

The hotel information of this study included value of property, size of the hotel, type of hotel management, year of operation, number of room for sales and number of staff, types of customer, occupancy rate per year, domestic guests, international guests, hotel room rates and position. The hotel information is presented in Table 5.3.

Table 5.3 Hotel information

| Variable | Categories | % |
|--------------------------|--|------|
| Value of property | 1million-30 million baht | 48.5 |
| | 31million-60 million baht | 12.1 |
| | 61million-120 million | 12.1 |
| | More than 121million | 27.3 |
| Size of the hotel | Small | 18.2 |
| | Medium | 42.4 |
| | Large | 39.4 |
| Type of hotel management | Individual-style Domestic hotels (Internationally-linked hotel 2-3 stars) | 6.1 |
| | Thai hotel chain 4-5 stars | 18.2 |
| | Domestic hotels | 75.8 |
| Year of operation | 1-10 years | 60.6 |
| | 11-20 years | 9.1 |
| | 21-30 years | 21.2 |
| | More than 31 years | 9.1 |
| Number of room for sale | 1-30 rooms | 12.1 |
| | 31-100 rooms | 45.5 |
| | 101 room more | 42.4 |
| Number of staff | 1-30 people | 36.4 |
| | 31-100 people | 27.3 |
| | 101 more people | 36.4 |
| Variable | Categories | % |
| Types of customer | Domestic tourists | 63.6 |
| | International tourists | 30.3 |
| | Other | 6.1 |

| | | |
|----------------------|-----------------|------|
| Occupancy rate/year | 1-25% | 3.0 |
| | 26-50% | 12.1 |
| | 51-75% | 57.6 |
| | 76-100% | 27.3 |
| Domestic guests | 1-25% | 30.3 |
| | 26-50% | 24.2 |
| | 51-75% | 27.3 |
| | 76-100% | 18.2 |
| International guests | 1-25% | 36.4 |
| | 26-50% | 27.3 |
| | 51-75% | 27.3 |
| | 76-100% | 9.1 |
| Hotel room rates | 500-900 baht | 6.1 |
| | 1000-1499 baht | 48.5 |
| | Over 1500 baht | 42.4 |
| Position | General manager | 18.2 |
| | Entrepreneur | 60.6 |
| | Shareholders | 21.2 |

The most common hotel size in this study were medium from individual properties as well as those from Thai hotel chains. The medium hotel (45%) generated number of room sales more than other sizes of hotel. The average number of staff (37%) were 1-31 people and more than 100 people. Most properties had been in operation less than 10 years which is consistent with the recent growth in the domestic hotel sector. For the position, entrepreneurs (60%) and shareholders (21%) were key stakeholders. For three quarters of the hotels the average occupancy rate was above 50%. Most of the occupancy was from both domestic tourists (30.3%) and the international tourists (36.4%) with hotel room rates of 500-900 baht.

5.3.3 Descriptive results of competitive advantages and disadvantages

This section examines the perspectives of the respondents concerning the competitive advantages and disadvantages of domestic hotels compared to international hotels. The respondents were asked to answer the open-ended questions related to the current competition between these kinds of properties. The result of this section of the study

addressed aim 1 of this chapter. Table 5.4 summarizes the competitive advantages and disadvantages of domestic hotels over the international hotels.

In considering their competitive advantage, half of the respondents highlighted the small size of their operation. They considered that the small scale of their operations facilitated their ability to operate and adapt their strategies in response to the requirements of the customer. For example, several small hotels independently determine room rates without considering the established price from any parent hotel chain. This finding is consistent with statement by Holverson et al. (2011) who argue that small hotels are innately more flexible than large hotels which makes them adaptable to meet preferences.

Table 5. 4 Competitive advantages and disadvantages of domestic hotels compared to the international hotels

| No | Advantage | Frequency | % |
|-----------|---|------------------|----------|
| 1 | Small size of organization which is easy to operate | 17 | 50.00 |
| 2 | Less structure and authorization needed | 16 | 47.12 |
| 3 | Hotel can add uniqueness and value | 15 | 44.64 |
| 4 | Provide personal service | 15 | 44.64 |
| 5 | Location | 13 | 38.26 |
| No | Disadvantage | Frequency | % |
| 1 | Lack of Market orientation | 21 | 61.84 |
| 2 | Consistency of service standard | 17 | 50.25 |
| 3 | Lack of hotel network | 14 | 41.22 |
| 4 | Less financial support for the development | 10 | 29.45 |
| 5 | High turnover of staff | 7 | 20.66 |

On the topic of authorization, 47% of the respondents claimed that their properties gain further benefit through the small scale of their operations, including reducing the complexity of reporting actions and the ability to empower staff to make decisions. This kind of direct action enables mutual participation among management and team

members. As a result, guests can be attended to by the hotel staff, giving each guest a special and unique stay, rather than a programmed set of experiences (cf. Agett, 2007).

In term of unique services, 44% of respondents stated that their properties were free to provide highly personalised and unique services. This view is associated with the perspective of Lim and Endean (2009) who studied boutique hotels and noted that guests can be told about the setting and the historical features that add value to the property. Similarly, several domestic hotels have applied a Thai decoration style in their rooms in order to reflect Thai culture (Sagnarong, 2009).

In relation to the location, nearly 40% of the respondents considered their location near an attraction as sometimes being a relative advantage. Lim and Endean (2009) observed that the location of many boutique hotels is generally in a fashionable city area or close to a famous destination or appealing environment. Similarly, in this study location was often seen in a desirable regional or attraction linked setting. Twenty percent of the respondents claimed that their properties combined additional activities into the services of the hotel, such as visiting historical sites, touring national parks and city site seeing. In this way, again the location advantage of the domestic hotel lies is providing a special product, service and experience to the guests (Pricewaterhouse Cooper, 2005).

On the other hand, respondents noted a key competitive disadvantage of domestic hotels in terms of marketing strategies. More than half of respondents (61.8%) regarded their properties as lacking strong marketing strategies and having low brand recognition. They noted that their properties take time to be recognized by both domestic and international tourists. This result is linked to the work of Hoverson and Rvaz (2006) who found that small hotels do lack economies of scale and may not have instant online reservation, marketing resources, or brand recognition, all of which are expected by customers. Moreover, the lack of a hotel network can be a disadvantage for some domestic hotels. Respondents (41.2%) claimed that expanding the hotel business was difficult due to limited networks in developing their properties. Imrie and Fyall (2001) observed that small independent hotels can lack the benefits of

consortia which assist in developing appropriate strategies, pricing, location, booking options and promotions.

The consistency of service quality was seen as another competitive disadvantage that affects the development of domestic hotels. Half of respondents perceived consistency of the service standards as limiting their ability to compete with international hotels. Respondents also stated that their properties do need high quality facilities to attract domestic tourists and well trained staff to provide better service compared with international hotels. Small independent hotels are, therefore, challenged in term of consistency of both service quality and facilities (Imrie & Fyall, 2001).

As the number of middle class domestic tourists who seek unique experience from accommodation and tourist attractions grows, it requires much effort for domestic hotels to develop and compete with international hotels. A key resource for domestic hotels is the level of available finance. According to Pricewaterhouse Cooper (2005) the ability of the small hotel is limited due to the availability of funding to develop their properties, particularly during any periods of recession. In the present results, nearly one third of the respondents claimed that their properties lack financial support for the business. One clear example of financial difficulties for expanding the hotel business was stated by respondents. The concern of interest was the lack of investment in many technological services that offer guests value, such as online booking systems and revenue management systems (Hoverson & Rvaz, 2006).

High staff turnover was considered to be a competitive disadvantage for domestic hotels. With a high turnover of staff, it is very difficult for domestic hotels to deliver consistent quality service to meet customer requirements. Twenty percent of respondents reported the difficulty of finding and retaining the right people for their organization. Employees need to be highly service oriented to deliver the level of personal and intimate service experience. As a result, retaining employees for the organization is fundamental to the success of small to medium hotels (Pricewaterhouse Cooper, 2005). It is possible to suggest that retaining labour in domestic hotels may be difficult because of a lack of promotion or career prospects.

These issues may be easier to manage for large international hotels with multiple properties.

5.3.4 Brief summary

The competitive advantages of domestic hotels compared to international hotel were principally linked to the size of the operation and location. More than half of the properties were small to medium in scale. The respondents gain advantages in operating at such a scale by being unique and flexible and offering a high value of personalized service in response to the requirement of guests.

On the other hand, the competitive disadvantages of domestic hotels included difficulties in marketing and the lack of a network that could support them to be recognized by potential customers and grow globally. Another limitation of the development of domestic hotels was the lack of financial support which was considered by many respondents to reduce the capacity to renovate and invest in facilities.

5.3.5 Descriptive results for the influential issues

This part of the study examines the result of the interview questions which pertain to the influential issues that have shaped the current development of domestic hotels and the hotel industry from 2000-2012. The influential issues were selected from chapter 2 and applied to examine perspective of hotel operator concerning the current development of domestic hotels (see the influential issues in hotel operator questionnaire at Appendix 5.1). The work addresses aim 1 of the chapter. The respondents were asked to use the numbers from 1 to 8 to rank the most important to the least important negative and positive issues shaping domestic hotel development in Thailand. Table 5.5 highlights the descriptive results assessing negative and positive influences.

Table 5. 5 The mean rankings of the influential issues shaping the development of domestic hotels in Thailand from 2000-2012 (8 = most influential, 1 = least influential) (N=33)

| Negative issues | Mean | Standard deviation |
|---|-------------|---------------------------|
| Political crisis of Thailand in 2010 | 2.45 | 1.88 |
| Political crisis of Thailand from 2005-2006 | 2.64 | 1.74 |
| Flooding of Thailand in 2011 | 3.52 | 2.09 |
| Bird flu in Thailand in 2004 | 4.64 | 1.67 |
| SARS crisis between 2002-2003 | 4.67 | 1.84 |
| The terrorism of the South in 2004 | 5.79 | 1.78 |
| Tsunami in Thailand in 2004 | 6.03 | 1.79 |
| The impact of terrorism in the U.S.A in 2001 | 6.36 | 1.90 |
| Positive issues | Mean | Standard deviation |
| The improvement in the Thai tourist attractions | 3.82 | 2.39 |
| The development of E-Tourism from 2003-2006 | 4.12 | 2.19 |
| The opening of the New Airport in Bangkok in 2006 | 4.42 | 2.87 |
| The establishment of sustainable tourism in Thailand in 2001 | 4.45 | 2.13 |
| The promotion of the MICE market in 2006 | 4.55 | 1.98 |
| Increase in demand and taste of domestic tourists in seeking diverse experience from attractions and accommodations | 4.76 | 2.67 |
| The improvement staff competencies in the hotel | 4.82 | 2.03 |
| The improvement of logistics systems, | 4.88 | 1.99 |

| | | |
|--------------------------|--|--|
| roads and infrastructure | | |
|--------------------------|--|--|

In term of the negative issues, the political crisis in Thailand in 2010 (red shirt demonstrators) was identified as having the lowest mean score and was considered by respondents to be the most important issue for the development of domestic hotels and the hotel industry. Similarly, the political crisis of Thailand in 2010 (yellow shirt demonstrators) was perceived by respondents as the second most important negative issue. Some respondents stated that the confidence of tourism and hospitality business and investment in Thailand was hit by both political crises. The consequence of such crises resulted in a decline in the number of tourists to several tourist attractions and reduced the occupancy of domestic hotels. Interestingly, the flooding of Thailand in 2011 was regarded by respondents as a mixed influence but overall the third important negative issue for the development of the tourism and hotel industry. Some respondents in Chonburi province revealed that the flooding in 2011 had only moderately affected their business because the worst area of flooding was mainly found in Bangkok and the Northern provinces of Thailand. Some tourists still wanted to travel during the flooding to destinations outside Bangkok, such as Pattaya, Phuket and Samui Island (Hariraksapitak & Phoonphongphiphat, 2011).

For the positive issues, the improvement in tourist attractions was identified as having the lowest mean score and was therefore perceived by respondents as the most important issue for the development of the Thai domestic hotels. The level of tourist satisfaction can be heavily influenced by the attractions, quality of the infrastructure, as well as by accommodation (Okello et al., 2009). These researchers added that it is important for operators to know what are the strengths and weaknesses of each attraction in their appeal to tourists. Additionally, the development of E-Tourism from 2003 to 2006 was considered by respondents to be a second powerful and positive issue. Most respondents in this study were aware of the benefits that E-Tourism brought to their organization. One clear example that was mentioned by respondents was getting more bookings from customers online. In the last decade, there has been a steady, almost daily growth of the web strategies for the hotel and hospitality sector (Neuhofer, Buhalis, & Ladkin, 2013). Moreover, the opening of the new airport in Bangkok in 2006 was also regarded as an important issue. The establishment of this

new airport in Bangkok connected domestic and international routes much better (Bangkok Post, 2008). This has created an opportunity for both local hotels and international chain hotels to expand business.

5.3.6 Brief summary

The political crisis in Thailand from 2005 to 2006 and the political crisis in Thailand in 2010 were perceived as having the greatest negative impacts on the development of domestic hotels and the hotel industry by the hotel operators. The occupancy rate of the hotels in Bangkok fell dramatically and consequently created a negative image of tourism as a valuable part of the Thai economy. In considering other negative influences, flooding in Thailand, Bird flu, the SARs crisis, were perceived as having moderate impact on the development of the hotel industry compared with other issues.

On the other hand, the improvement in Thai tourist attractions was perceived as being the most influential positive force that stimulated the development of domestic hotels and the tourism industry. The improvement in E-Tourism, such as website use, online booking systems, redesigning of accommodation websites, and other tourism related online enterprises, all stimulated the development of domestic hotels and the hotel industry (cf. Buhalis, 2003). The opening of the new airport in Bangkok not only stimulated the development of the tourism industry but also as a whole improved the prospects for investment in both international and domestic hotels.

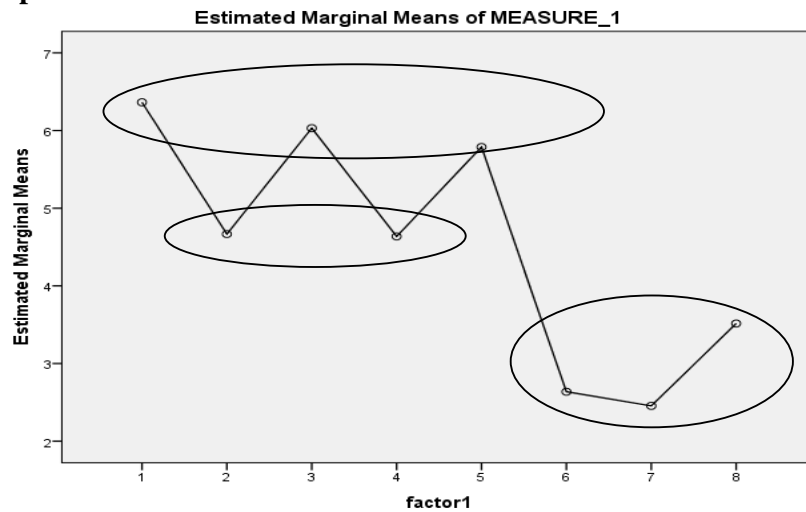
5.3.7 Statistical analysis of the mean differences among the negative issues

A repeated measures one way ANOVA was employed to investigate whether or not the overall mean scores of the negative influences were significantly different. The p value of 0.05, was used to assess statistically significant difference among the means of the negative influences. From the investigation, there were significant differences among the negative influences, $F(4.65, 149.03) = 19.59, p < 0.05$.

For further investigation, a Pair-wise comparison was employed to compare significant differences among the negative issue means. Figure 5.1 presents the results. The issues falling in the same dashed circle were considered to be at the same

level of importance: that is, issue 6 (political crisis of Thailand from 2005-2006), issue 7 (political crisis of Thailand in 2010) and 8 (Flooding of Thailand in 2011) were considered to be more important negative issues than other issues. Issue 2 (SAR crisis between 2002 and 2003) and issue 4 (bird flu in Thailand in 2004) were considered to be at a moderate level of importance. Issue 1(the impact of terrorism in the U.S.A in 2001), issue 3 (Tsunami in Thailand in 2004) and issue 5 (the terrorism of the South from 2004 to present) were still considered to be important, but not as important as other issues.

Low importance



High importance

Figure 5. 1 Means of the hotel operators’ ranking of the importance of negative issues influencing the domestic hotels

The specific meaning of negative issues 1-8

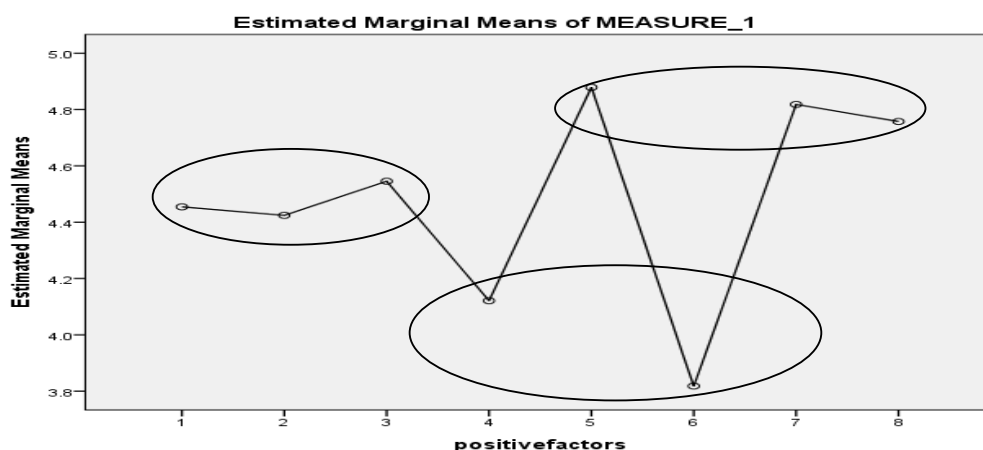
1 =The impact of terrorism of U.S.A in 2001, 2 = The SARS crisis between 2002-2003 Tsunami in Thailand in 2004, 3 = Tsunami in Thailand in 2004, 4 = Bird flu in Thailand in 2004, 5 = The terrorism of the South in 2004, 6 = Political crisis of Thailand from 2005-2006 (Yellow shirt demonstration), 7 = Political crisis of Thailand in 2010, 8 = Flooding of Thailand in 2011

5.3.8 Statistical analysis of the mean differences among the positive issues

A repeated measures one way ANOVA was employed to investigate whether or not there were significant differences among the positive issues. From the investigation, there were no significant differences among the positive issues, $F(5.43, 173.98) = 0.72, p > .05$. Figure 5.2 presents the result. The score on the y scale are condensed for ease of presentation but should not be interpreted as representing distinct differences.

The issues falling in the same dashed circle can be qualitatively considered to be same level of importance. Issue 4 (The development of E-Tourism from 2003 to 2006) and issue 6 (the improvement of tourist attractions) were considered to be at more important issues than other positive issues. Issue 1 (The establishment of sustainable tourism of Thailand in 2001), issue 2 (The opening of new airport in Bangkok in 2006) and issue 3 (The promotion of MICE market in 2006) were considered to be at a moderate level of importance respectively. Issue 5 (The improvement of logistics system), issue 7 (The improvement of staff competencies in the hotel) and issue 8 (Increase in demand and taste of domestic tourists in seeking diverse experience from tourist attractions and accommodations) were still considered to be at the important, but not as important as other issues.

Low importance



High importance

Figure 5. 2 Means of the hotel operators' ranking of the importance of positive issues influencing the domestic hotels

The specific meaning of positive issues 1-8

1 =The establishment of sustainable tourism of Thailand in 2001, 2 = The opening of new airport in Bangkok in 2006, 3 = The promotion of MICE market in 2006, 4 =The development of E-Tourism from 2003 to 2006, 5 = The improvement of logistics system, 6 = The improvement of tourist attractions, 7 =The improvement of staff competencies in the hotel, 8 = Increase in demand and taste of domestic tourists in seeking diverse experience from tourist attractions and accommodations.

3.9.5 Brief summary

The political crisis in Thailand issue 6 (yellow shirt demonstrations from 2005 to 2006) and issue 7 (red shirt demonstration in 2010) were considered by respondents to be the impact issues that most influenced the development of domestic hotels and the hotel industry. Similarly, issue 8 (flooding in Thailand in 2011) was also perceived as a leading and important influence on the development of domestic hotels and the hotel industry.

In considering the positive issues, all issues were seen as moderately important. Issue 6 (the improvement of tourist attraction) was perceived by respondents as the most influential force in the actual score. The all-round consequences of the improvement of tourist attractions has resulted in increases in the number of tourists to Thai attractions and this has stimulated the development of domestic hotels. Similarly, issue 4 (the development of E-Tourism) was also considered by respondents to be an important influence on the development of domestic hotels. The development of E-Tourism is currently improving and determining strategies for domestic hotels (Buhalis, 2003).

5.4 Linking Key Profiles of Hotel Operators with Hotel Features

This section links characteristics of the hotels in which the operators work and their perceptions of key influences. The findings in this section include both qualitative and quantitative material. Significant tests were conducted to investigate the effects of size of the hotel, hotel room rate, types of hotel service, occupancy of domestic tourists

and the position of the hotel operator on their perspectives. Repeated measures ANOVA's and post hoc Scheffe analysis were the main statistical techniques in the study. The result of this section of the study address aim 2 of this chapter.

5.4.1 Respondents' perspective concerning the negative influences by sizes of the hotel

This section investigates whether or not there were significant differences among the respondents' links between the size of the hotel in which they work or are associated and their perception of negative issues. Sizes of hotel according to number of room were divided into 3 groups: small hotel (1-30 rooms), medium hotel (31-100 rooms) and large hotel (more than 101 rooms).

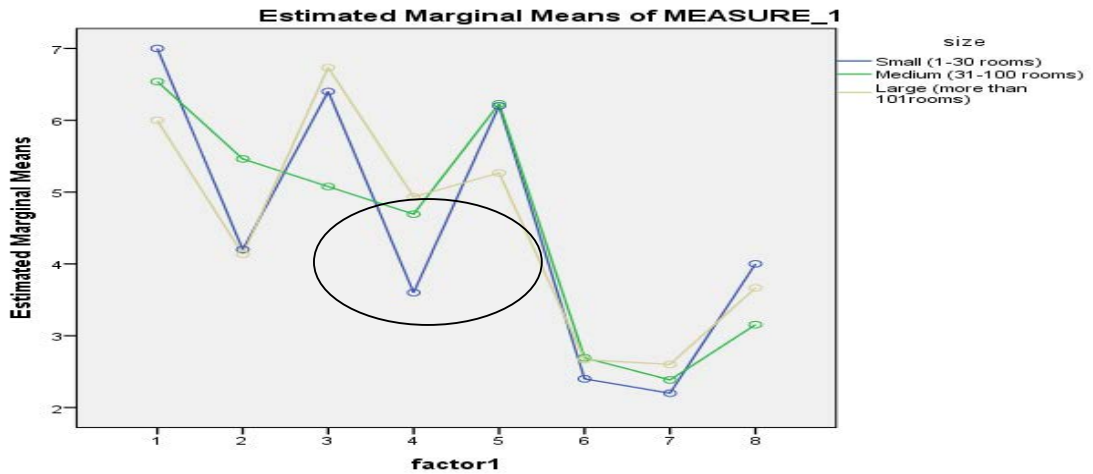
From the descriptive scores, respondents from small size hotels (1-30 rooms) appeared more likely than those from other sizes of the hotel to consider issue 1 (the impact of terrorism of U.S.A. in 2001) to be the least important issue of all negative issues. Moreover, small size hotel (1-30 rooms) considered issue 7 (political crisis in Thailand in 2010) to be the most important force of all the negative issues.

A repeated measured ANOVA was employed to analyse whether or not overall there were significant differences among respondents link to the size of hotel and all the negative issues. From the investigation, no significant difference across all the negative issues were found, $F(9.14, 137.13) = 1.03, p > .05, \eta^2 = .065$. As a result, the null hypothesis that the sizes of the hotel produced a statistically significant overall the set of negative issues ratings was rejected.

For further investigation, a one-way ANOVA was also used to analyse whether or not there were statistically significant difference perceived by sizes of the hotel at the single issue level. If the p value was less than 0.05, there was a statistically significant difference among respondents linked to the size of the hotel and the negative issues. The link was found to be significant for issue 4 (Bird flu in Thailand in 2004). The post hoc Scheffe test was then also used as a tool to find the detail about which size of hotel provided significant differences. The Scheffe test indicated that the mean score

differences (1.65) was found to be significant between the medium hotels (31-100 rooms) and larger hotels (more than 101rooms) respectively. The Figure 5.3 presents the result.

Low importance



High importance

Figure 5. 3 Significant differences among respondents linked to the size of hotel and all the negative issues

The specific meaning of negative issues 1-8

1 = The impact of terrorism of U.S.A in 2001, 2 = The SARS crisis between 2002-2003, 3 = Tsunami in Thailand in 2004, 4 = Bird flu in Thailand in 2004, 5 = The terrorism of the South in 2004 to present, 6 = Political crisis of Thailand from 2005-2006 (Yellow shirt demonstration), 7 = Political crisis of Thailand in 2010, 8 = Flooding of Thailand in 2011.

5.4.2 Respondents’ perspective concerning the positive influences by size of the hotel

The analysis in this section investigates whether or not there were significant differences among the respondents’ links between the size of their hotel and their perception of positive issues.

From the descriptive data, those from small size hotels (1-30 rooms) appeared were more likely than those from other hotel sizes to consider issue 2 (The opening of the new airport in Bangkok in 2006) to be the most important force of all the positive issues.

For further investigation, a repeated measured ANOVA was employed to analyse whether or not there were significant differences among respondents' links to sizes of hotel means and all the positive issues. From the investigation, no significant difference across all positive issues were found, $F(10.96, 164.45) = 0.94, p > .005$. As a result, the null hypothesis that the sizes of the hotel statistically provided significant differences for the full set of positive issues ratings was rejected.

A one-way ANOVA was used to further analyse whether or not there were statistically significant difference among sizes of the hotel at the single issue level. The respondents' link to hotel size was found to be significant for issue 2 (the opening of the new airport in 2006). The post hoc Scheffe test was then used to find which size of hotel provided the significant differences. The Scheffe test indicated that differences were found between the small hotels (1-30 rooms) and the medium hotels (31-100 rooms). Figure 5.4 presents the result.

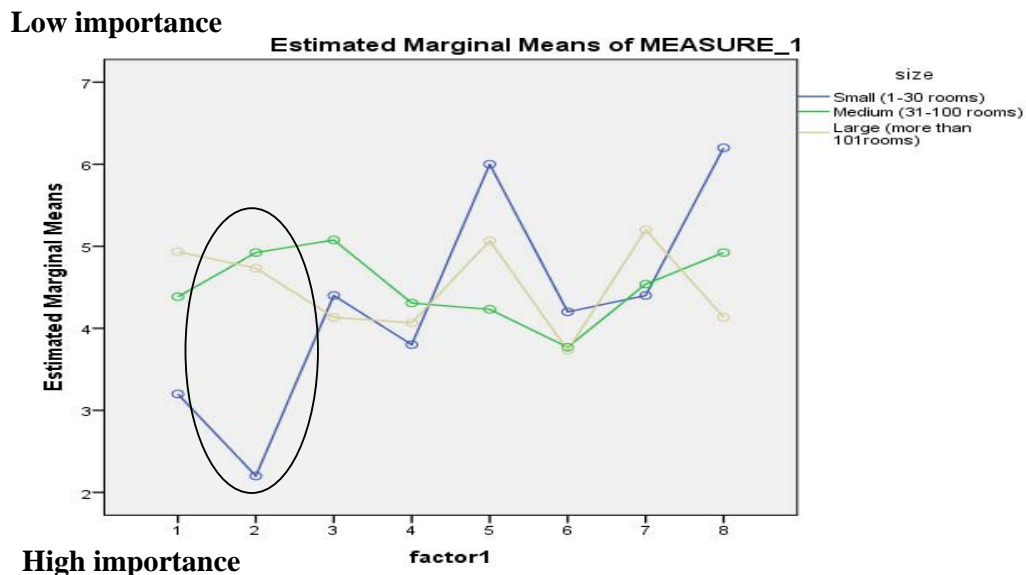


Figure 5. 4 Significant differences among respondents linked to the size of hotel and all the positive issues

The specific meaning of positive issues 1-8

1 = The establishment of sustainable tourism of Thailand in 2001, 2 = The opening of new airport in Bangkok in 2006, 3 = The promotion of MICE market in 2006, 4 = The development of E-Tourism from 2003 to 2006, 5 = The improvement of logistics system, 6=The improvement of tourist attractions, 7 = The improvement of staff competencies in the hotel, 8 = Increase in demand and taste of domestic tourists in seeking diverse experience from tourist attractions and accommodations

5.4.3 Brief summary

Respondents from hotels of different sizes provided different perspective on the influential issues. In term of reacting to the negative issues, there were significant differences between the respondents' links to medium size of the hotel (31-100 rooms) and the respondents' links to large size of the hotel (more than 101 rooms) for issue 4 (Bird flu in Thailand in 2004).

For the positive issues, there were significant differences between the respondents' links to small size of the hotel (31-100 rooms) and the respondents' links to medium size of the hotel (31-100 rooms) for issue 2 (the opening of new airport in 2006). The respondents from the medium size operators reported the opening of the new airport to be more important positive issue.

5.4.4 Respondents' perspective concerning the negative influences by types of hotel service

This section investigates whether or not there were significant differences among the respondents' links between the types of hotel service and their perception of negative issues. For a more reasonable size analysis, types of hotel services were divided into 3 groups (1: Internationally-linked hotel 2-3 stars), 2: (Thai hotel chain 4-5 stars) and, 3: (Individual-style Domestic hotels) based on management pattern.

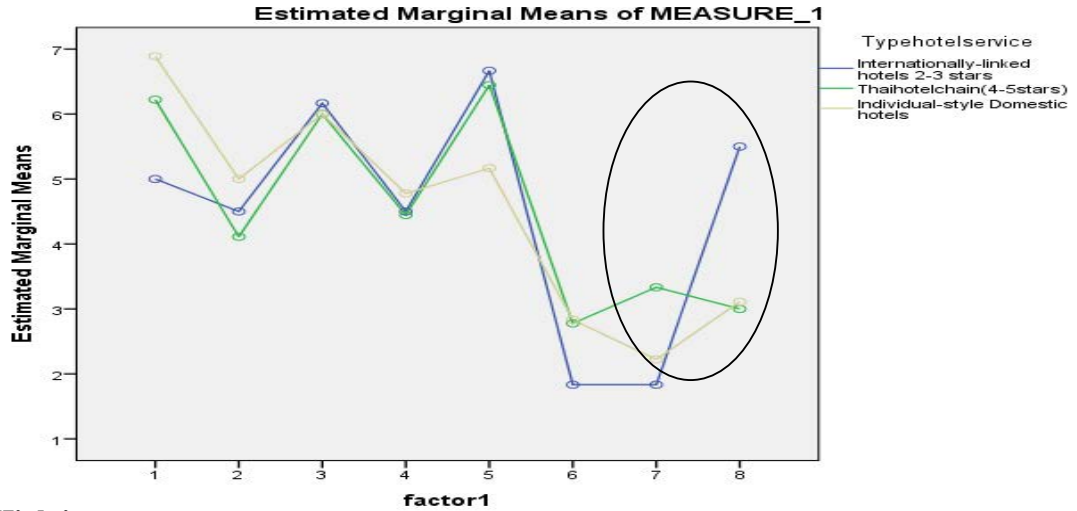
From the result, respondents from Individual-style domestic hotels were more likely than those from other types of hotel styles to consider issue 1 (the impact of terrorism

in U.S.A in 2001) to be the least important issues of all negative issues. Moreover, those from the Internationally-linked hotel 2-3 stars were more likely to considered issue 6 (political crisis in Thailand from 2005 to 2006) and issue 7 (political crisis in Thailand in 2010) to be the most important.

A repeated measured ANOVA was employed to investigate whether or not there were significant differences among respondents' links to the types of hotel service and the negative issues. From the investigation, no significant differences across all negative issues was found, $F(8.92, 133.93) = 1.55, p > .05$. As a result, the null hypothesis that types of hotel service statistically significant differences across of all the negative issues was rejected.

Additionally, one way ANOVA was also undertaken to analyse whether or not there were statistically significant difference perceived by types of hotel service at the single issue level. The respondents' link to types of hotel service was found to be significant for issue 8 (flooding in Thailand in 2011). The post hoc Scheffe test was used as a tool to find which types of hotel style provided the significant differences. The Scheffe test indicated that the difference was found to be significant between the internationally-linked hotel 2-3 stars and the individual-style domestic hotels. The Figure 5.5 presents the result.

Low importance



High importance

Figure 5. 5 Significant differences among respondents linked to types of hotel service and all the negative issues

The specific meaning of negative issues 1-8

1 = The impact of terrorism of U.S.A in 2001, 2 = The SARS crisis between 2002-2003, 3 = Tsunami in Thailand in 2004, 4 = Bird flu in Thailand in 2004, 5 = The terrorism of the South in 2004 to present, 6 = Political crisis of Thailand from 2005-2006 (Yellow shirt demonstration), 7 = Political crisis of Thailand in 2010, 8 = Flooding of Thailand in 2011

5.4.5 Brief summary

For negative issues, it could be concluded that there were significant differences between the respondents' links to internationally-linked domestic hotels 2-3 stars and the respondents' links to individual-style Domestic hotels for issue 8 (Flooding in Thailand in 2011). For the respondents from the international hotels, it was not as important.

5.4.6 Respondents' perspective concerning the negative influences by occupancy of domestic tourists

The occupancy of the hotel engages the hotel operators to evaluate their business and the future revenue. As a result, this section investigates whether or not there were significant differences among the respondents' links between the occupancy of domestic tourists and their perception of negative issues. Occupancy of domestic tourists in this study was divided into 4 groups (1: 1%-25%, 2: 26%-50%, 3: 51%-75% and 4: 76% 100%).

From the descriptive scores, respondents from hotels with occupancy rates of domestic tourists (51%-75%) appeared more likely than those with other occupancy rates to consider issue 1 (the impact of terrorism of U.S.A in 2001) to be the least important issue of all negative issues. Moreover, those with an occupancy of domestic tourists from 26% to 50% considered issue 7 (the political crisis of Thailand in 2010) to be the most important force of all the negative issues.

A repeated measured ANOVA was employed to investigate whether or not overall there were significant differences among respondents' links to the occupancy of domestic tourists and all the negative issues. From the investigation, no significant differences across all the negative issues was found, $F(13.03, 125.95) = 1.75, p > .05$. As a result, the null hypothesis that the occupancy of domestic tourists statistically provided a significantly different result for the set of negative issues ratings was rejected.

For further investigation, one way ANOVA was used to analyse whether or not there were statistically significant differences perceived by occupancy of domestic tourists at the single issue level. The respondents' link to occupancy of domestic tourists was found to be significant for issue 8 (flooding in Thailand in 2011). The post hoc Scheffe test was also used to further investigate which occupancy of domestic tourists provide the significant difference. The Scheffe test indicated that there were significant differences between occupancy of domestic tourists (26%-50%) and occupancy of domestic tourists (51%-75%). The Scheffe test also indicated that the

difference was found to be significant between occupancy of domestic tourists (26-50%) and occupancy of domestic tourist (76%-100%).

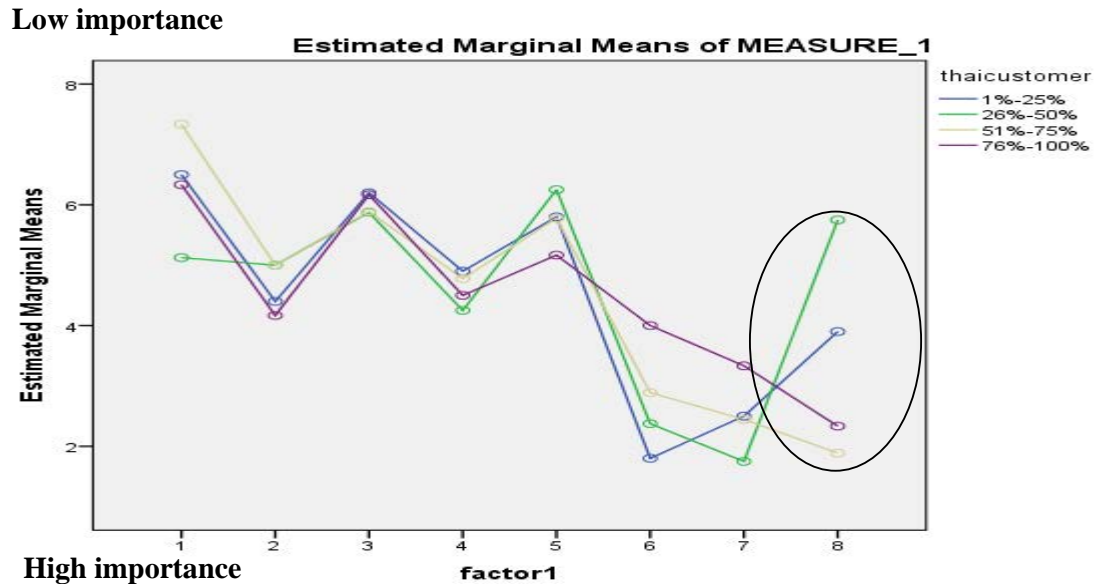


Figure 5. 6 Significant differences among respondents link to occupancy of domestic tourists and all the negative issues

The specific meaning of negative issues 1-8

1 = The impact of terrorism of U.S.A in 2001, 2 = The SARS crisis between 2002-2003, 3 = Tsunami in Thailand in 2004, 4 = Bird flu in Thailand in 2004, 5 = The terrorism of the South in 2004 to present, 6 = Political crisis of Thailand from 2005-2006 (Yellow shirt demonstration), 7 = Political crisis of Thailand in 2010, 8 = Flooding of Thailand in 2011

5.4.7 Brief summary

For the negative issues, there were significant differences between the respondents' links to occupancy of domestic tourists (26%-50%) and the respondents' links to occupancy of domestic tourists (51%-75%) for issue 8 (flooding in Thailand in 2011). There were also significant difference between the respondents' links to occupancy of

domestic tourists (26%-50%) and the respondents' links to occupancy of domestic tourists (76%-100%) for issue 8 (flooding in Thailand in 2011).

5.4.8 Respondents' perspective concerning the positive issues by occupancy of international tourists

Occupancy of international tourists was included in the study as one of the components in evaluating the revenue as it can be suggested it predicts their future business and development. This section investigates whether or not there were significant differences among the respondents' links between the occupancy of international tourists and their perception of positive issues. In relation to the study, occupancy of international tourists was divided into 4 groups: (1: 1%-25%, 2: 26%-50%, 3: 51%-75%, and 4: 76%-100%).

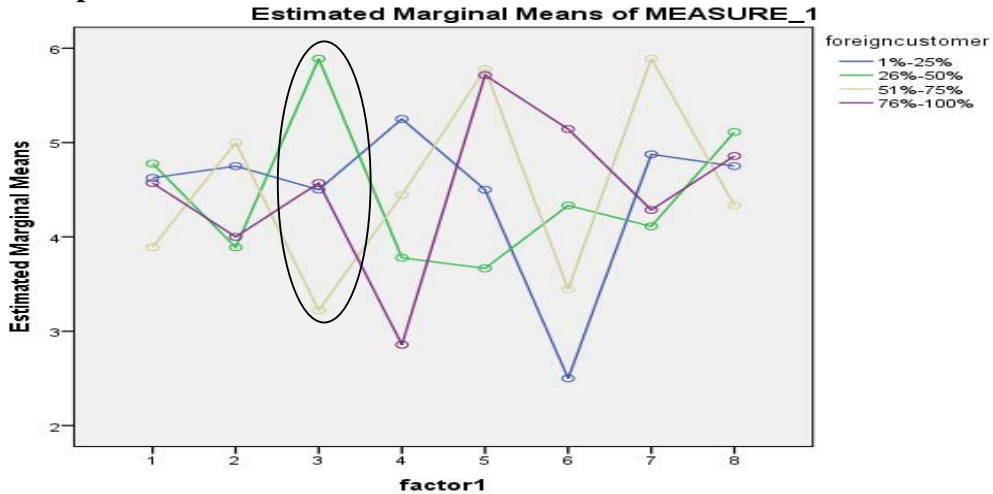
From the investigation, respondents from occupancy of international tourists (26%-50%) and respondents from occupancy of international tourists (51%-75%) were more likely than those from other occupancy of international tourists to consider issue 3 (the promotion of MICE market in 2006) and issue 7 (the improvement of staff competencies in the hotel) to be the least important issue of all positive issues. Additionally, those from hotels with occupancy rates for international tourists of 26%-50% and 51%-75%, were more likely to consider issue 6 (the improvement of tourist attraction) to be the most important forces of all the positive issues.

A repeated measured ANOVA was employed to analyse whether or not there were significant differences between respondents' links concerning international occupancy levels and the positive issues. From the investigation, no significant differences across all positive issues were found, $F(15.32, 148.41) = 1.14, p > .05$. As a result, the null hypothesis that the occupancy of international tourists statistically provided significant difference for the set of positive issues was rejected.

For further investigation, one way ANOVA was also undertaken to analyse whether or not there were statistically significant difference among occupancy of international tourists at the single issue level. The respondents' link to occupancy of international

tourists was found to be significant for issue 3 (The promotion of MICE market in 2006). The post hoc Scheffe test was used to find which size of occupancy of international tourist provided the significant differences. The Scheffe test indicated that the difference was found to be significant between occupancy of international tourists (26-50%) and occupancy of international tourists (51-75%) respectively. Figure 5.7 presents the result.

Low importance



High importance

Figure 5. 7 Significant differences among respondents link to occupancy of international tourists and all the positive issues

The specific meaning of positive issues 1-8

1 = The establishment of sustainable tourism of Thailand in 2001, 2 = The opening of new airport in Bangkok in 2006, 3 = The promotion of MICE market in 2006, 4 = The development of E-Tourism from 2003 to 2006, 5 = The improvement of logistics system, 6=The improvement of tourist attractions, 7 = The improvement of staff competencies in the hotel, 8 = Increase in demand and taste of domestic tourists in seeking diverse experience from tourist attractions and accommodations

5.4.9 Brief summary

There were significant differences between the respondents’ links to occupancy of international tourists (26%-50%) and the respondents’ links to occupancy of

international tourists (51%-75%) for issue 3 (the promotion of Mice market in 2006). This suggested that these respondents tended to perceive the promotion of MICE market in 2006 as contributing to the domestic hotels and the hotel industry.

5.5.0 Respondents' perspective concerning the negative issues by hotel room rate

Mattila and O'Neil (2003) suggested that hotel room rate can significantly indicate level of service. Different size domestic hotels determine room rate differently according to level of service, facilities and attentiveness of staff. In relation to the study, this section investigates whether or not there were significant differences among the respondents' links between their hotel room rate and their perception of negative issues. For the analysis in this study, hotel room rate was divided into 3 groups (1: 500-900, 2:1000-1499, and 3: more than 1500).

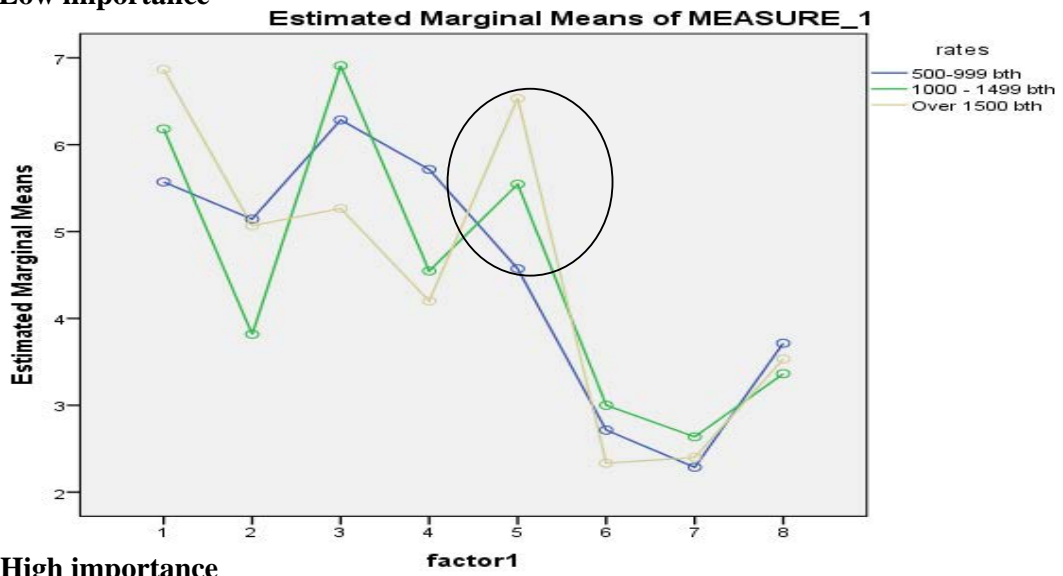
From the investigation, respondents from hotel room rate (1000-1499) were more likely than those from other hotel room rates to consider issue 3 (Tsunami in Thailand in 2004) to be the least important force of all negative issues. On the other hand, hotel room rate (500-999) were more likely to consider issue 7 (Political crisis in Thailand in 2010) to be the most important forces of all the negative issues.

A repeated measured ANOVA was employed to analyse whether or not there were significant differences among respondents' links to the hotel room rate and the negative issues. From the investigation, no significant differences across all the negative issues was found, $F(15.74, 177.37) = 1.64, p > .05$. As a result, the null hypothesis that hotel room rate statistically significant differences across all the negative issues was rejected.

Additionally, one way ANOVA was used as a tool to analyse whether or not there were statistically significant difference perceived by hotel room rate at the single issue level. The respondents' link to hotel room rate was found to be significant for issue 5 (the terrorism in the South of Thailand from 2004 to 2012). The post hoc Scheffe test was also used to investigate which hotel room rate provided the significantly

differences. As a result, there were significant differences the hotel room rate (500-999) and the hotel room rate (over 1500).

Low importance



High importance

Figure 5. 8 Significant differences among respondents linked to hotel room rate and all the negative issues

The specific meaning of negative issues 1-8

1 = The impact of terrorism of U.S.A in 2001, 2 = The SARS crisis between 2002-2003, 3 = Tsunami in Thailand in 2004, 4 = Bird flu in Thailand in 2004, 5 = The terrorism of the South in 2004 to present, 6 = Political crisis of Thailand from 2005-2006 (Yellow shirt demonstration), 7 = Political crisis of Thailand in 2010, 8 = Flooding of Thailand in 2011

5.5.1 Brief summary

There were significant differences between the respondents' links to hotel room rate (500-999) and the respondents' links to occupancy of international tourists (over 1500) for issue 5 (the terrorism in the South of Thailand from 2004 to 2012). This suggested that these respondents tended to perceive the terrorism in the South of Thailand as creating an impact on the domestic hotels and the hotel industry.

5.5.2 Respondents' perspective concerning the positive influences by position of respondents

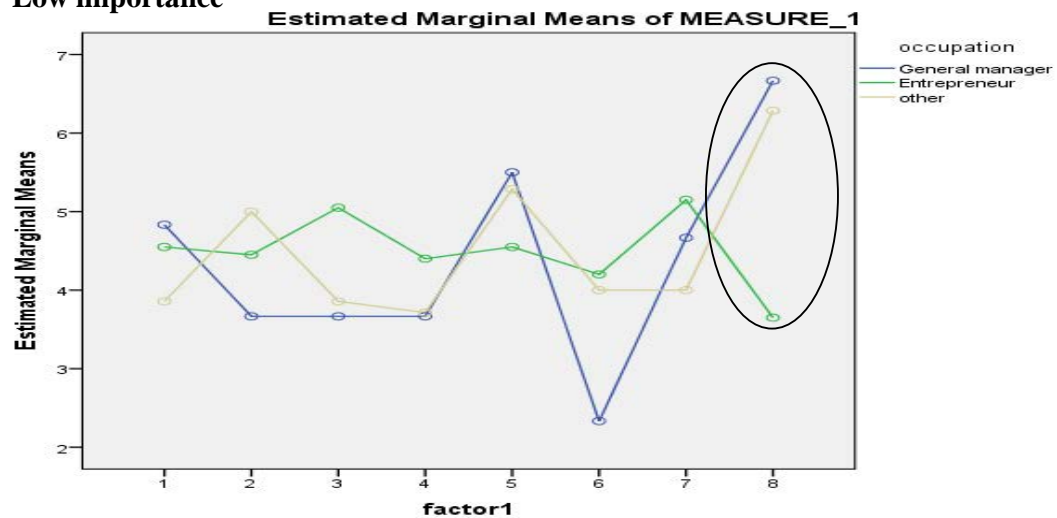
This section investigates whether or not there were significant differences among the respondents' links between the position of respondents and their perception of positive issues. For a more reasonable size analysis, position of respondents were divided into three groups (1: General manager, 2: Entrepreneur, 3: Owner).

From the investigation, position of respondents (General Manager) were more likely than those from other position of respondents to consider issue 8 (Increase in demand and taste of domestic tourists in seeking diverse experience from tourist attractions and accommodations) to be the least important issues of all positive issues. Moreover, the position of respondents (General Manager) considered issue 6 (the improvement of tourist attractions) to be the most important force of all the positive issues.

A repeated measured ANOVA was employed to investigate whether or not overall there were significant differences among respondents' links to the position of respondents and all the positive issues. From the investigation, no significant across all the positive issues was found, $F(10.59, 158.87) = 1.42, p > .05$. As a result, the null hypothesis that the position was statistically linked to the full set of positive issues was rejected.

Additionally, a one-way ANOVA was used to further investigate the statistical difference perceived by position of respondents at the single issue level. The respondents' link to position of respondents was found to be significant for issue 8 (Increase in demand and taste of domestic tourists in seeking diverse experience from tourist attractions and accommodations). The post hoc Scheffe test was also used to investigate which position of respondents provided the significant difference. As a result, the difference was found to be significant between position of respondents (General Manager) and position of respondents (Entrepreneur) respectively. Figure 5.9 presents the result.

Low importance



High importance

Figure 5. 9 Significant differences among respondents linked to position of respondents and all the positive issues

The specific meaning of positive issues 1-8

1 = The establishment of sustainable tourism of Thailand in 2001, 2 = The opening of new airport in Bangkok in 2006, 3 = The promotion of MICE market in 2006, 4 = The development of E-Tourism from 2003 to 2006, 5 = The improvement of logistics system, 6=The improvement of tourist attractions, 7 = The improvement of staff competencies in the hotel, 8 = Increase in demand and taste of domestic tourists in seeking diverse experience from tourist attractions and accommodations

5.5.3 Brief summary

There were significant differences between the respondents' links to position (General Manager) and the respondents' links to position (Entrepreneur) for issue 8 (Increase in demand and taste of domestic tourists in seeking diverse experience from tourist attractions and accommodations). This suggested that these respondents tended to perceive issue 8 (Increase in demand and taste of domestic tourists in seeking diverse experience from tourist attractions and accommodations) as stimulating the development of domestic hotels and the hotel industry. It can be speculated that perhaps in their management role these respondents receive much more personal feedback and contact with this issue than operators and entrepreneurs.

5.6 Conclusion and Discussion

Aim 1: Investigate overall perspectives of relevant stakeholders toward the development of domestic hotels in Thailand

As the results revealed, most respondents regarded the small scale domestic Thai hotels as having some competitive advantages. The results echo the work of Miburn and Hall (2005) who reported that the characteristics of life style hotels benefited both guests and hotel operators in such areas as levels of personal service, degree of employee empowerment, unique design and competitive location. For this study, most respondents claimed that their properties also gained advantages in operating at the small scale. Advantages identified included reducing complicated authorization and increasing more communication among staff and management. The small scale of operation enabled highly personalized service with a focus on the exchange between guests and hotel employees (Henderson, 2011). Interestingly, some respondents claimed that the consequence of the small operating scale had benefited their properties in terms of uniqueness of service. An example of uniqueness can also be found in boutique hotels which regarded their historic buildings, and associated themes as being attracted tourists (Lim & Endean, 2009). Domestic hotels even those on a small scale, can potentially compete with the international hotels by offering intimate service with distinctive decoration in response to the requirements of majority of middle class Thai tourists.

The results also showed that the marketing strategy of domestic hotels is one of the disadvantages of the respondents' properties. Marketing strategy in the study included brand awareness and distribution (Henderson, 2011). Respondents reported that their properties often lacked appropriate promotion and a good marketing strategy. As a result, it takes time for them to be recognized by domestic and international tourists. Holverson et al. (2011) suggested that the key steps for a hotel to reach an international standard include building brand recognition, having online bookings and adopting specialized marketing. In order to meet the requirement of domestic and international tourists, most respondents' properties need a marketing strategy such as clear positioning, targeting and making use of technology to promote their product and services. An example of an effective marketing strategy in some for domestic hotels

was that they would promote favorable hotel room rates for leisure and business guests during low season. This approach is supported by the discussion of Yelkur and Herbig (1997) who recommended that pricing strategies can be considered one of the effective marketing strategies in attracting different types of customer.

The perspectives of the hotel operators on a number of key positive and negative issues formed an important part of the study findings. Key results from this part of this study included differences in perception around the following issues

- The improvement of tourist attractions
- The improvement of E-Tourism from 2003 to 2006
- The establishment of the new Airport in Bangkok in 2006
- The political crisis in Thailand in 2010 (Red shirt demonstrations)
- The political crisis in Thailand from 2005 to 2006 (Yellow shirt demonstrations)
- Flooding of Thailand in 2011

These issues can be linked to several points of discussion. The political crisis in 2010 (Red shirt demonstrations) was considered by respondents to be the most important force of all negative issues. Additionally, the Political crisis from 2005 to 2006 (Yellow shirt demonstration) was also considered by respondents to be a key important issue. These findings reinforce views identified by Thailand Travel Mart (2010).

The results also showed that flooding of Thailand in 2011 was considered to be an important negative issue. Maliwan and Bahaudin (2011) pointed out that the flooding in Thailand in 2011 created both threats and opportunities for domestic hotels and the Thai hotel industry. Examples were reported where several hotels in Bangkok lost occupancy during the flooding but some domestic hotels in Chonburi, Nakhon Rathcasima, Prachaup Khirikhan provinces gained benefits from bookings by Bangkok residents (Bangkok Post, 2011). Some of the findings in this study provide further evidence of this varied outcome of the flooding.

In term of positive issues analysed by ANOVA, there were no significant differences among the respondents' links across all positive issues. The positive issues, however still have important to the development of domestic hotels and the Thai hotel industry. All positive issues were regarded by at least some of the respondents as influential issues but only three positive issues tended to be the greatest impact on the development of domestic hotels and the Thai hotel industry. The improvement of tourist attractions was considered by respondents to be the most important force of all positive issues. As an example the improvement of infrastructure and safety at the attractions, paved the way for more tourists to visit (Office of Tourism Development, 2010).

The improvement of E-Tourism from 2003 to 2006 has also performed a key role in the development of domestic hotels and the Thai hotel industry. This view related to the statement by that the improvement of technology and its developments continue to influence the development of the tourism industry. This study also found that the improvement of E-Tourism from 2003 to 2006 was considered by respondents to be an important positive issue. Some respondents stated that E-Tourism offers tourism businesses ways to reduce costs and improve the quality of product and service. As a result, the improvement of E-Tourism creates new promotional opportunities and influences the development of the hotel industry (Maliwan & Bahaudin, 2012).

The results also showed that the new airport in Bangkok in 2006 was considered by respondents to be an important positive issue. The Bangkok airport has become a major gateway to South East Asia and is a transit hub for both international and domestic travellers (Bangkok Post, 2010). The consequence of the establishment of New Airport in Bangkok in 2006 can be linked to increases in the numbers of domestic and international tourists to Thailand, and thus stimulating the whole Thai hotel industry (Lasalle, 2013).

Aim 2: Explore the relationship among profile of related stakeholders to the development of domestic hotels.

There were a number of significant relationships between the profiles of the hotel operators and their responses. The profiles of respondents in the study were linked to the size of hotel, hotel room rate, types of hotel service (Individual-style domestic hotels), types of hotel service (Internationally-linked hotels 2-3 stars), occupancy of domestic tourists, occupancy of international tourists and position of domestic hotel operators. Additionally, issues discussed included the Tsunami in Thailand in 2004, the terrorism of the south from 2004 to 2012, flooding of Thailand in 2011, the opening of new airport in Bangkok in 2006, the promotion of MICE market in 2006 and increases in demand and taste of domestic tourists in seeking diverse experience from tourist attractions and accommodations.

In the results, the respondents' links to sizes of the hotel 31-100 rooms and more than 101 rooms were found to be significantly different for the Tsunami in Thailand in 2004. The emotional impact that the tsunami had on tourists, the uncertainty of weather patterns in the southern region, and the high death tolls, kept tourists from making plans to visits these areas (Flamm, 2005, p.53). Therefore, the Tsunami in Thailand in 2004 resulted in decline of number of tourists and affected the development medium sized domestic hotels and the Thai hotel industry in particular areas, such as Phuket, Phang Nga and Krabi provinces (Rosa, 2012).

The respondents' links to rate of hotel room was found to be significantly different for the terrorism in the South of Thailand from 2004 to 2012. From the investigation, the respondents' links to hotel room rate (500-999) and the respondents' link to hotel room rate (over 1500) were different for the terrorism of the South in Thailand. Tourists were concerned about safety issue, especially in the three Southern provinces of Thailand included Pattani, Yala and Narathiwat. Thitthongkam and Walsh (2010) concluded that the terrorism of the south in Thailand created strong negative impact on the image of domestic hotel and the Thai tourism industry. The slightly less expensive domestic hotels were affected more than the hotels with rates over 1500 Baht.

The respondents' links to types of hotel service was found to be significant different for flooding in Thailand in 2011. This study the respondents' links to types of hotel service (Internationally-linked hotels 2-3 stars) and types of hotel service (Individual domestic hotels) were different for the flooding of Thailand in 2011. Some tourist attractions and domestic hotel operators in Bangkok and central northern province of Thailand suffered more from the severe flooding in 2010 (World Bank, 2012, p.49).

Additionally, the respondents' links to occupancy of domestic tourists was found to be significant for the difference for flooding in Thailand in 2011. The study was found that there were significant differences among the respondents' links to occupancy of domestic tourists (26-50%) (51-75%), as well as to the respondents' links to occupancy of domestic tourists (76-100%) for flooding in Thailand in 2011. Those with higher occupancy rates were attracted more.

The respondents' link to the size of their hotel was found to be different in relation to the establishment of new airport in Bangkok. The study revealed that the respondents' links to sizes of the hotel (1-30 rooms) and the respondents' links to sizes of the hotel (31-100 rooms) varied significantly in the rated importance of the establishment of new airport in Bangkok. The newspaper the Bangkok Post (2010) reported that the consequence of the opening new airport resulted in increase of domestic and international tourists to Thailand. The present results establish that this effect was rated as more important for those domestic hotels of medium size. It can be concluded that there have been a range of benefit to be the tourism and the hotel industry in Thailand since the establishment of the new airport (Jones Lang LaSalle, 2013).

The study was found that the respondents' links to their occupancy of international tourists (26%-50%) versus (51%-75%) resulted in significant differences for the promotion of MICE market. Thailand travel mart (2010) supported the view that Thailand has become a prime tourism location and has been developing into a popular location to hold international events. As a result, hotels in several locations expanded their convention capacity in response to the growing MICE market (Euromonitor and International, 2012). Therefore, the promotion of MICE market stimulated the

development of domestic hotels and the Thai hotel industry. Again respondents from hotels with moderate level of occupancy report better returns.

In analysing the position of respondents, it was found that the issue of increases in demand and taste of domestic tourists in seeking diverse experience were seen differently. There were significant differences between the managers and the entrepreneurs, with the former group setting this issue as more important. The findings link to the work of Holverson et al. (2010) who suggested that small hotels now try to offer a unique experience by providing highly personalized service in intimate environment and unique location. It is perhaps the managers who are attracted to this issue most directly through their daily interaction with guests.

This study has endeavoured to investigate the perspectives of managers/ owners/ entrepreneurs stakeholders toward the development of domestic hotels. It has explored the significant relationship between the people of domestic hotel personnel and the influential issues. The next chapter will explore the influential issues that influence the future development of domestic hotels and the hotel industry.

Chapter 6 – The Future Development of the Domestic Hotel in Thailand

6.1 Introduction

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6.6.2 Summarize further suggestions by domestic tourists and hotel operators about the development of domestic hotels in the next 5-10 years

6.6.3 The relationship among domestic tourists' perspective and hotel operators' perspective

6.1 Introduction

This chapter is concerned with the perspective of stakeholders and their key views of the future development of Thai domestic hotels. The groups of interest include both domestic tourists and domestic hotel operators. As mentioned in Chapter Two, the results of the archival analysis in study 1 and the results of domestic tourists' views and hotel operators' views of the current development of domestic hotels in Chapter Two were employed to help assess the domestic tourists' and hotel operators' views of the future development. This chapter uses interviews and a questionnaire based survey as the major techniques for data collection. The results of this study will contribute to the conclusion of the thesis, is Chapter Seven.

The overall research question of the study are:

- How do key hotel stakeholders (owners, managers, and entrepreneurs) perceive the issues identified as shaping the future development of Thai domestic hotels?

To answer the research questions, two specific research aims were developed.

The aims are:

1. To investigate overall perspectives of relevant stakeholders toward the future development of domestic hotels in Thailand
2. To explore the relationship among the key stakeholders and their perspective on issues seen as influencing Thai domestic hotel activity

6.2 Methodology

The research methods adopted in this study are similar to the research methods for study 2. The profile of stakeholders and the results from the previous study also apply to this study. The stakeholders in this study were the same 334 domestic tourists and 33 domestic hotel operators from the selected provinces. The specific concerns in this chapter however, are the stakeholders' views on the issues seen as shaping the development of domestic hotels in Thailand in the next 5-10 years.

6.2.1 Interview survey

An in-depth interview approach was again employed to investigate the important views of hotel operators about the trends and influential future development issues for domestic hotels in Thailand. The technique enables researcher to explore issues that are subtle and potentially difficult to investigate using only quantitative methods (Bryman, 2004; Bryman & Bell, 2011; Kvale, 1996). Another important feature of using interviews is that it allows interviewees to participate during the research process. In the interview process, the hotel operators were encouraged to freely express their important views concerning the future development of domestic hotels and the hotel industry in Thailand. It can be suggested that the interviews are useful to explore personal interpretations by respondents of specific research topics.

For the interview, questions 10 to 13 of section 1 were the open-ended items which asked hotel operators to identify the influential issues for the future. The last question of section 2 was an open-ended question which asked hotel operators for their further suggestion of the future development of Thai domestic hotels in the relevant timeframe. The followings are the interview questions 10 to 13 of section 1 and the last question in section 2 (see Appendix 5.1 for a copy of the interview questions):

10. In your opinion, what will possibly be the positive factors that influence the development of domestic hotels in the next 5-10 years?

11. In your opinion, what will possibly be the negative factors that influence the development of domestic hotels in the next 5-10 years?

12. In your opinion, what will possibly be the competition between domestic and international hotels in the next 5-10 years?

13. In your opinion, what do you think that Thai tourists will want from domestic hotels in the next 5-10 years

17. Do you have further ideas to describe the development of domestic hotel in the next 5-10 years?

6.2.2 Questionnaire survey

Following the established research method outlined in Chapter Two, the questionnaire was based in part on findings and issues identified in the analysis of archival material from Chapter Three (see Appendix 5.1 for a copy of questionnaire). A pilot test was carried out with select respondents prior to the large-scale work with the full sample. The questionnaire was sent to the Human Research Ethics Committee and the expert organized by James Cook University as a pilot study. According to the social representations theory, pretesting the survey content and language is the way to ensure that the insiders (emic) perspective is maintained in the question (Pearce, Moscardo, & Ross, 1996). For this research, the pilot test was also conducted to avoid asking inappropriate questions that insulted local customs or offended respondents in terms of infringing on political and sensitive religious issues. The researcher avoided addressing or including such topics in written form. The question plan can be seen as a compromise strategy to protect researcher and respondents from any external censure or disruption to the work.

Consequently, the pilot study, the questionnaire (see the Appendix 5.1 for a copy of questionnaire) was translated into Thai by one Thai postgraduate who had major of Arts in Business English. This technique was used to collect any expression lost in the translation process and improve reliability of the translation (Graciano, 2001).

The questionnaire based survey was designed to access domestic tourists' views on influential future issues in conjunction with the results from the previous studies. Additionally, this method allowed the researcher to examine the links between key demographics of domestic tourists and the influential issues.

Three future scenarios were presented to the hotel operators who were asked to consider all of them. The respondents were asked to rate three future scenarios that they thought would reflect the future development of Thai domestic hotels; Scenario 1 (High Growth), Scenario 2 (Moderate Growth) and Scenario 3 (Low Growth).

6.2.3 Data collection

The data collection for study 3 was conducted at the same time as that for study 2. The researcher also used the same 33 owners or hotel operators of the selected domestic hotels as choosing from the total of registered hotel lists from THA (Thai Hotel Association) and TAT (Tourism Authority of Thailand) and also 334 domestic tourists from study 2. The selected 33 domestic hotel operators and 334 domestic tourists were verified from the previous study that they fit the researcher's definition of the characteristics of domestic hotels.

The researcher asked the selected respondents to complete questions in section 2 after they completed questions in section 1 (see Appendix 4.1 and Appendix 5.1 for a copy of questionnaire). Meanwhile, the researcher ensured that the respondents understood the questions in section 2 and their responses met the requirement of the aims of the research. The demographic information about both domestic tourists and hotel operators was presented in Chapter Four and Five.

6.2.3.1 Sample size and sampling method

The 334 domestic tourists from study 2 were applied in this study. It was still seen as representing a feasible number of sample due to a chance of random selected from the total of domestic tourists from the selected provinces. This supported the view of the researcher that the number of selected respondents maximized the chance that the sample will have the same characteristics as the whole population (Christen & Johson, 2004). The recurring challenge in attempting to use simple random sampling is being able to identify the whole population of interest (Cohen et al., 2007). As a result, 334 domestic tourists were also included in this study as stakeholders.

In considering collecting data from hotel operators, 33 domestic hotel operators were also applied from study 2 as representing for hotel operators who expertise in hotel management and would be able to provide information relevant to the research of interest (Gile & Handcok, 2011). This method is useful for sampling a population where access is difficult, sensitive topic or where communication networks are undeveloped. These people are then used as informants to identify, or put the researchers in touch with, others who qualify for inclusion and these, in turn, identify yet others – hence the term snowball sampling (Cohen et al., 2007).

6.2.3.2 Data analysis

SPSS (edition 18.0) was one of the tool to undertake data analysis in this study. Four statistical methods were applied in the analyses according to the different types of data available and different purposes for each individual aim. These methods included descriptive analysis, one-way ANOVA, and independent t-test and significant test. More importantly, three future scenarios were used to investigate the domestic tourists' views and a key technique to understand respondents concerning the future development of domestic hotels.

The one-way ANOVA, and independent t-test were applied selectively a statistical technique that enable researchers to investigate and describe the significant differences between two or more mutually exclusive group on several dependent

variables (Diekhoff, 2004; Pearce & Lee, 2005) . For this study, the one-way ANOVA was used to test the significant differences for scenarios perception according to respondents from the selected provinces. The independent t-test was employed to investigate whether there were significant differences among respondents' views to the scenarios. The post hoc Scheffe test was used to identify the differences among respondents' views from the selected provinces to scenario. Finally, descriptive analysis was also employed as a tool to examine respondents' views concerning materials or influential issues that are likely to shape the development of domestic hotels in the next 5-10 years.

6.3 Results

This section reports the domestic tourists' and hotel operators' views. The findings in this section included both qualitative and quantitative material. In order to address the aim of the study, the results have been divided into three sections. First, the results present the descriptive findings highlighting the domestic tourists' views of the influential issues. Second, the work reports the results of hotel operators' views of the same influential issues. Third, the links between the domestic tourists' views and hotel operators' views on the issues are documented and interpreted.

6.3.1 Domestic tourists' responses to future scenarios

Three future scenarios were used to investigate the domestic tourists' views. Significant tests were conducted to investigate the relationship among domestic tourists' views and the three future scenarios. One-way ANOVA and post hoc Scheffe analysis were the main statistical techniques used in the study. The results of this section of the study address aim 1 of the study. Table 6.1 highlights the results. The overall results indicated that the highest scores were for the high growth and moderate growth scenarios with the low growth scenarios being rated consistently less likely.

The one-way ANOVA revealed that there were statistically significant differences for the perceived scenarios according to the provinces where the tourists were located. In the results, there were significant differences among domestic tourists' views for Scenario 3 (Low Growth), $F(2, 6.76) = 6.65, p = 0.00$ (see Table 6.1).

Table 6. 1 Domestic tourists' experience to future scenarios by survey location

Scale (1= Not at all likely, 2= Slightly likely, 3= Moderate likely, 4 = Quite likely, 5= Very likely)

| Scenario | F | Sig. | Location | | |
|---|------|------|--------------------------|--------------------------|--------------------------|
| | | | Prachauab Khirikhan | Chonburi | Nakhon Ratchasima |
| | | | Mean (SD) | Mean (SD) | Mean (SD) |
| Scenario 1 (High Growth) | 0.24 | 0.78 | 3.41 (0.92) | 3.37(.080) | 3.45 (0.81) |
| Scenario 2 (Moderate Growth) | 1.17 | 0.31 | 3.50 (0.82) | 3.45 (0.73) | 3.35 (0.63) |
| Scenario 3 (Low Growth) | 6.65 | 0.00 | 2.57 ^a (1.08) | 3.05 ^b (0.93) | 2.66 ^a (1.00) |

^{a,b} Mean scores with different superscripts were significantly different from the Scheffe post hoc analysis.

For further investigation, the post hoc Scheffe test was used as a tool to identify the precise differences for Scenario 3. In the results, there were significant differences between domestic tourists' views from Prachauab Khirikhan province and domestic tourists' views from Chonburi provinces to Scenario 3 (Low Growth). The test also found that there were significant differences between domestic tourists' views from Chonburi provinces and domestic tourists' views from Nakhon rathchasima provinces to Scenario 3 (Low Growth).

Interestingly, respondents from Chonburi province had predictive for Scenario 3 (Low Growth) more than respondents from other provinces. One possible linking issue producing this outcome is the influence of the new Bangkok airport (Suvarnabhumi). It can be argued that the consequence of the establishment of Suvarnabhumi Airport in 2006 has resulted in rapid growth in number of international tourists and international

hotels. Chonburi is the nearest province to the airport and tourists staying there may be more aware of and experienced to the growth of international hotels more directly; this experience may shape their prediction of lower domestic hotel growth. This is consistent with the work of TAT (2006) who supported the view that the establishment of the new airport in Bangkok boosted all tourist arrivals and future new high standards of accommodation. As a result, it is argued that domestic tourists from this region tend to predict the likely development of international hotels more than domestic hotels in the next 5-10 years.

6.3.2 Future suggestions from domestic tourists about the development of domestic hotels in the next 5-10 years

This section examines the respondents' suggestions for the future development of Thai domestic hotels. The respondents were asked to answer open-ended questions related to the future development of these kinds of properties. The results of the study addressed aim 1. Table 6.2 highlights the results.

Table 6. 2 Further suggestions by domestic tourists about the development of domestic hotels in the next 5-10 years

| No | Further suggestion | Frequency |
|-----------|---|------------------|
| 1 | Consistency of good service | 47.3 |
| 2 | Promote tourist attractions | 26.9 |
| 3 | Room rate discount | 24.3 |
| 4 | Consistency of good facilities in domestic hotels | 23.4 |
| 5 | Special promotion for domestic tourists | 21.3 |

From the results, almost fifty percent of respondents considered consistency of good service to be one of the attributes that domestic tourists expect to receive from domestic hotels. Results indicated that this will challenge domestic hotels to maintain service quality in order to retain the existing customers and increase customer loyalty. This finding is consistent with the statement of Heskett et al. (1997) that service quality can be regarded as a key to success in delivering customer satisfaction and shaping the future of hospitality organizations.

In term of promoting tourist attractions, twenty seven percent of respondents regarded the local tourist attractions as fostering their use of domestic hotels. Interestingly, respondents also stated that they tend to stay at the accommodation or hotels where there is a link between the service and activities at the attraction. This finding can be related to the work of Alison et al. (2005, p.75) that the promotion of tourist attractions can be an asset to accommodation businesses and increases the customer's overall travel experience.

On the topic of room rate discount, respondents (24.3%) stated that domestic hotels need to offer room rate discounts in order to attract domestic tourists. Results also indicated that most domestic tourists were attracted by discount promotions in international hotels. As a result, price strategies were required by domestic properties to attract more customers. The results can be linked to the work of Imrie and Fyall (2000) who found that mid-market hotels need to have quite specific marketing strategies, such as product, price, location and ease of booking, or special promotional and service quality features in order to attract customers in their competitive situation.

The quality of the hotel facilities was seen as another issue that will stimulate the future development of domestic hotels. Respondents (23.4%) considered consistency of good facilities within domestic hotels to be an influential issue that will determine their future stay. In this study, facilities in domestic hotels included bedroom facilities, such as WIFI, TV, comfortable bed, air conditioning, fridge and appealing amenities in bathrooms. They stated that these were the influential issues that influenced them in their hotel choice.

For the topic of promotion, any special promotion offered by domestic hotels was confirmed as potentially influencing the customer's hotel choice by 21.3%. They claimed that the best special promotions that attracted them to stay at domestic hotels were hotel room discount rates, meals, and services linking them to the activities at the local attractions. This finding is related to the study of Senior and Morphew (1990) who observed that promotional transparency in mid-market hotels was well regarded by customers.

6.4 Results from Hotel Operators

6.4.1 Hotel operators' views of the positive and the negative issues shaping the future

The hotel operators were also asked to answer the open-ended questions concerning the issues likely to shape the development of these properties. Table 6.3 highlights the main positive and negative issues.

Table 6. 3 Hotel operators' views of the positive and negative issues that will influence the development of domestic hotels in the next 5-10 years

| No | Positive issues | Percentage |
|----|---|------------|
| 1 | Responses to sustainability program | 60.6 |
| 2 | Promotion of tourist activities | 57.6 |
| 3 | The government policy in regulating hotel room rate | 51.5 |
| 4 | Emergence of new attractions | 36.4 |
| 5 | Improvements in infrastructure | 33.3 |
| No | Negative issues | Percentage |
| 1 | Lack of skilled staff | 48.5 |
| 2 | Marketing strategy | 45.5 |
| 3 | Emerging numbers of unregistered hotels | 39.4 |
| 4 | Unstable political situation | 32.3 |
| 5 | Increase in price war | 30.3 |

In considering the positive issues, the growth of sustainability program was seen as the positive issue that was likely to shape the future development of domestic hotels. Results indicated that domestic tourists tend to stay at accommodation where there is a concern for the environment. Kasim (2004) supported the view that the tourists are now knowledgeable and seek out hotels where there is such a concern. He noted that these tourists are willing to pay more and stay in hotels where service staff repeat relevant environment issues. Examples of environmental strategies that can be found in hotels included installing energy-efficient lighting, reusing linen programs, using recycled paper for promotional materials and turning off lights in unoccupied guest

rooms (Millar & Baloglu, 2011). It can be suggested that sustainability program not only affect the development of domestic hotels but also increase customer experiences during their stay in the properties.

The trend for domestic tourists to seek diverse experiences from their accommodation has been increasing and this tendency has produced an entrepreneurial response offering visitor activities, as well as packaging to and at attractions (Morrison et al., 1996). The study of Warnick and Klar (1991) noted that a large number of affluent domestic travellers are likely to spend more time for their leisure activities in specialist accommodation. In the present results, nearly sixty percent of operators considered the promotion of tourist activities to be one of the influential issues. Results also indicated that domestic tourists were attracted by the number of activities that were promoted by the local communities, such as regional festivals, seasonal festivals and outdoor activities. In this way, the promotion of tourist activities is likely to create a new experience for domestic tourists and stimulate the future development of domestic hotels.

The policy of the government in regulating the price of hotel rooms was seen by the hotel operators as another contributing issue. Fifty one percent of respondents regarded a fair rate for hotel rooms as determined by the government guidelines to be stimulating for the development of domestic hotels. The study found that the expansion of international budget hotels in Thailand has resulted in an increasing price war within the hotel business. It was suggested that the government should regulate how the international hotels vary their room rate and avoid competing with local hotels. If this regulation was adopted in practice by the government, it will not only benefit Thai hotel operators but also attract Thai tourists.

The topic of new tourist attractions was considered by respondents (36.4%) to be one of the influential issues. Findings highlighted that most domestic tourists who stay in the properties were attracted by new and emerging attractions. The study also found that such new options for Thailand have influenced customers in choosing their accommodation. Consequently, domestic hotels tend to gain an advantage if located

near the new attractions. It can be argued that additional domestic hotels will be developed and formed if they can be linked to small attractions.

The topic of infrastructure was perceived by speculators as one of the positive issues that is likely to shape domestic hotels development. In the results, thirty percent of respondents reported that fresh investment in the infrastructure, such as roads, utilities and tourist facilities is necessary for domestic hotels to make their properties accessible. This result is linked to the work of Prideaux (1996) who observed that the improvements in infrastructure can be an essential part of the development of regional tourist attractions and accommodation.

On the other hand, respondents noted a lack of skilled staff to be one of the influential issues that is likely to impact adversely on the development of domestic hotels. Nearly fifty percent of owner/operators (48.5%) regarded their properties as lacking skilled staff. Within the domestic accommodation, guests are different from traditional conventional users in terms of their requirements. The service quality provided by staff in domestic hotels is likely to powerfully affect customer's impression and satisfaction. To enhance service delivery within domestic hotels, staff need to have a good knowledge base for their operations and for skilled. This links directly to the study of Ernest and Young (2008) who noted that service providers need to have skilled staff to delivering consistency in service to meet the requirement of new and different customer.

Inadequate marketing strategies were seen as another negative issue that will influence the future development of domestic hotels. Forty five percent of respondents regarded their properties as lacking a strong marketing strategy to increase awareness of their brands. Results indicated that the expansion of international hotels in Thailand has had an impact on the development of domestic hotels in terms of competitive resources and brand awareness. The study also found that several local hotels have started to consider expanding their business by merging with an international hotel brand. These international chains have enormous resources and have been able to provide guidance and support to the hotel member, such as marketing services, and staff development. The expansion of larger international hotels into the budget sector using brand

strategies has immediate positioning and credibility (Holverson & Revaz, 2006). This kind of future direction may weaken the role of independent and under resourced domestic hotels.

The growth of the unregistered hotel was also considered to be one of the negative issues. Nearly forty percent reported that some owners of small businesses have created the phenomenon of “Outlaw hotels” which operate their properties without a licence. Results indicated that these hotels have not originally acted against hotel regulations and requirements but behaved illegally in transforming their properties from condominiums or apartments to hotels. This had created a threat to the development of domestic hotels in terms of service quality, safety and building standards.

Quite obviously, the political crises in Thailand have repeatedly had a significant impact on the Thai economy and the development of the Thai hospitality industry. Respondents (32.3%) noted the particular political crisis which had directly affected to their business and the hotel industry. The ongoing political unrest from 2006 to 2007 slowed down the growth of the economy and the tourism industry of Thailand (Maliwan & Mjutaba, 2012). This finding was also supported by Tourism Council of Thailand who reported that the number of international tourists over the year 2008 decreased by 0.38 million people (2.65%) from the year 2007, and the income obtained from domestic tourists decreased by 5.0% (Tourism Council of Thailand, 2009). TAT (2010) added that one of the reasons that there was a decline in revenue for tourism in Thailand was the closure of Suvarnabhumi Airport in 2008 by the yellow shirt demonstrators and the invasion of the East Asia Summit in Pattaya in 2009 by the red shirt demonstrators. It is clear that the political instability of Thailand has had considerable impact on the economy and the development of Thai domestic hotels. This continuing issue of instability is important in Thailand at the time of finishing this Thesis (mid 2014) and highlights the ongoing issue for the whole tourism sector in Thailand.

Price wars have had considerable impact on the development of domestic hotels. Thirty percent of respondents regarded the growth of price wars as having a negative

influence. The expansion of budget hotels in Thailand has directly affected the established hotel room rate of local hotels. Price reduction in international budget hotels is regarded as attractive by hotel users. Domestic hotels have had obstacles in achieving price reduction and planning effective promotion and marketing strategies. As a result, some domestic accommodation properties have lost some of their market to international hotel during price wars.

6.4.2 How domestic hotels can compete with the international hotels in the next 5-10 years

This section examines the perspective of the hotel operators on how domestic hotels can or will compete with the international hotels in the future. The respondents were asked to answer the open-ended questions concerning the possible issues and materials that are likely to be considered by domestic hotel operators to compete with international hotels. The results of this study addressed further components of aim 1 for this chapter. Table 6.4 summarizes the main issues.

Table 6. 4 Operators' views of how domestic hotels will compete with the international hotels in the next 5-10 years

| No | How to compete with the international hotels | Percentage |
|-----------|---|-------------------|
| 1 | Consistency in good service | 76.5 |
| 2 | Consistency of Thai hospitality service | 57.6 |
| 3 | Consistency of warm welcome service | 45.5 |
| 4 | Consistency in providing good facilities | 33.3 |
| 5 | Provide additional activities | 27.3 |

Within any competitive environment, consistency of good service is important for the organization. In the results, seventy percent of respondents considered consistency of good service to be one of the competitive strategies that their properties expected to use to compete with international hotels. The finding of this study was related to the work of Molhotra (2006) who stated that most hospitality organizations strive to provide consistency in service as a competitive strategy. It can also be noted that the success of domestic hotels requires a consistency of service quality at every level.

Half of the total number of respondents perceived the consistency of Thai hospitality service as adding uniqueness to domestic accommodation. For example, properties in Chiangmai, Huahin and Khaoyai have used Thai regional décor and Thai traditional costumes to attract tourists. This finding supports the work of Thidichumreernporn (2009) who noted that the service of boutique accommodations in Chiangmai differed from others in terms of featuring services with local themes and concepts as well as providing unique products.

Another strategy that respondents used to compete with international hotels was to emphasize a consistency of a warm welcome service. In this study, the consistency of such welcomes was the willingness of staff to provide all types of friendly service. In the results, nearly fifty percent of respondents acknowledged the consistency of a warm welcoming service as a competitive advantage for domestic hotels.

Good facilities were considered to be an asset for domestic hotels. In this study, consistency of good service is supported and complemented by the ability of domestic hotels to provide excellent facilities in both public areas and bedrooms. The study found that thirty percent of respondents regarded the quality of facilities as attracting hotel guests. This indicated that consistency of good facilities provision to the hotel guest was of considerable more importance for domestic hotels to satisfy customers and gain competitive advantage over competitors. This finding is related to the study of mid-market hotels by Imire and Fyall (2001) that hotels should not only provide a good service to meet customer satisfaction but also need to be equipped with the latest advanced facilities.

The additional activities provided by domestic hotels were found to be important for respondents' properties. Twenty percent of the operators regarded the additional activities as attracting domestic tourists to stay at their properties. The study found that hotel guests were attracted by activities near the accommodation base which were organized by hotel operators and local travel agents. These activities included trekking, sightseeing, cooking classes, and visiting historical sites. Operators also suggested that these activities would not only attract domestic tourists but increase customer experience during their stay in domestic hotels.

6.4.3 Hotel operators' views of guests' needs

This section examines the operators' perspective of what domestic tourists want from domestic hotels in the future. Hotel operators were asked to answer the open-ended questions concerned with a set of possible issues. The results of this study also addressed aim 1. Table 6.5 highlights the main issues.

Table 6. 5 Results of operators' views of what domestic tourists want from domestic hotels in the next 5-10 years

| No | Domestic tourist want from hotel in 5-10 years | Percentage |
|----|--|------------|
| 1 | Consistency in good service | 72.7 |
| 2 | Consistency of good facilities | 69.7 |
| 3 | Good promotion | 57.6 |
| 4 | Use of technology to facilitate the service | 42.4 |
| 5 | Uniqueness of the hotel | 40.4 |

As in the previous set of results reporting on competition with international hotel, consistency in good service was found to be the most important item in the list of future requirements. The importance of consistency of good service to domestic tourists was confirmed as having a great influence by a large majority (72.7%) of respondents. Results also indicated that most domestic tourists perceived domestic hotels as lacking in service standards compared to the service provided by international hotels. This could be taken as evidence that local hotels do not perform well in the overall Thai hotel industry. Consequently, there is pressure on domestic accommodation businesses to improve service standards.

Consistency of good facilities was seen as one of the attributes that domestic tourists will increasingly want from domestic hotels. Seventy percent of respondents suggested that domestic tourists tend to choose their accommodations according to the quality of facilities. The study found that the quality of service facilities will impress and influence domestic tourists in future hotel choices.

In terms of promotion, it was found that good promotion proved to be one of the attributes for attracting domestic tourists. According to Kotler (1984) promotion involves the process of branding, advertising, packaging and public relation activities. In this study, good promotion in terms of a special hotel room rate that domestic hotels used was a benefit and feature of their properties. In the results, more than half of total respondents considered good promotion to be an issue of influence. Results also indicated that domestic hotels can provide the promotional benefits based on seasons, special events, competitor prices and their available inventory.

In relation to technology, forty two percent of operators considered the use of technology within the properties as beneficial for the future. Results indicated that the use of technology in the accommodation creates competitive advantage for domestic hotels. The study also found that most domestic tourists expected to access and share hotel information, such as location, guides to local attractions, restaurant menus, themes and facilities to their friends through their social networks. Arguably, the consequence of using technology by the accommodation providers has resulted and will result in increasing customer options to share information about the business.

For Thai tourists, boutique accommodation businesses have created some diverse experience opportunities (Freund de Klumbis & Munsters, 2005; Sagnarong, 2009). In this study, the uniqueness of the hotel is related to concepts, décor, and themes. Several of these options are used together to attract domestic tourists and differentiate businesses from competitors. Results indicated that forty percent of respondents regarded the uniqueness of the properties as attracting domestic tourists. The study also found that these concepts and the distinctiveness of the hotel tended to add value to their service and increase the customer experience.

6.4.4 Hotel operators' response to future scenarios

This part of the study examines the results from the hotel operators concerning the future development of domestic hotels in Thailand. Three future scenarios were used to investigate the perspective of hotel operators from three provinces concerning materials and issues that they think will shape the development of domestic hotels in

Thailand in the next 5-10 years. Table 6.6 summarizes the results. The results of this study addressed aim 1. The overall results indicated that the highest scores were for the high growth and moderate growth scenarios with the low growth scenarios being rated consistency less likely.

One way ANOVA was employed to investigate whether or not the overall mean scores of the respondents' perspective were significantly different. The p value of 0.05, was a base to assess statistically significant difference among the means of respondents' views to scenarios. From the investigation, there were no significant differences among the means of respondents' views from the three provinces to Scenario 1(High growth), $F(2, 27.84) = .24, p > 0.05$, there were no significant differences among respondents' perspective from three provinces to Scenario 2 (Moderate growth), $F(2, 23.15) = .60, p > 0.05$, and there were no significant differences among respondents' perspective from three provinces to Scenario 3 (Low growth), $F(2, 27.49) = .79, p > 0.05$. As the result, the null hypothesis that respondents' perspective were statistically significant different for the scenarios was rejected. This result suggests a relative uniformity in operators' views of the extent of the future growth in the sector.

Table 6. 6 Descriptive results of the means difference among hotel operators from three provinces to scenarios

Scale (1= Not at all likely, 2= Slightly likely, 3= Moderate likely, 4 = Quite likely, 5= Very likely)

| Scenario | F | Sig. | Location | | |
|---|------|------|------------------------|-------------|----------------------|
| | | | Mean (SD) | Mean (SD) | Mean (SD) |
| | | | Prachauab Khirikhan | Chonburi | Nakhon Ratchasima |
| Scenario 1 (High Growth) | 0.24 | 0.78 | 3.30 (0.67) | 3.42 (0.99) | 3.55 (0.68) |
| Scenario 2 (Moderate Growth) | 0.60 | 0.55 | 4.00 (0.86) | 3.67 (0.65) | 3.73 (0.64) |
| Scenario 3 (Low Growth) | 0.79 | 0.46 | 2.44 (1.01) | 2.00 (0.95) | 2.90 (1.04) |

6.4.5 Hotel operators' further suggestions about the development of domestic hotels in the next 5-10 years: Aim 1

This part of the study examines the results of interviews with the respondents about the development of domestic hotels in the future. The respondents were asked to respond to open-ended questions seeking further suggestion concerning issues and materials that are likely to shape the future. Table 6.7 highlights the main results.

Table 6. 7 Further suggestions from domestic hotel operators about the development of domestic hotels in the next 5-10 years

| No | Further ideas of operator about future development | Percentage |
|----|--|------------|
| 1 | Promote tourist activities at the attraction | 36.4 |
| 2 | Improve the infrastructure at tourist attractions | 30.3 |
| 3 | Decrease the local revenue tax | 27.3 |
| 4 | Competitive marketing strategies | 24.2 |

| | | |
|---|----------------------------|------|
| 5 | Improve staff competencies | 22.2 |
|---|----------------------------|------|

In considering promotion of tourist activities, thirty six percent of respondents reported that they benefited from tourist activities around their properties. Results also indicated that their properties were likely to be booked in advance by tourists, especially before the special or regional events took place. The regional or special events that were likely to be attracted and experienced by domestic tourists included Loy Krathong, Songkran, and concerts. Consequently, these domestic accommodation operators expected such activities to be promoted locally and systematically in order to attract future domestic and international tourists.

Thirty percent of respondents noted the improvement of infrastructure at tourist attractions to be one of the contributing issues. The improvements in infrastructure benefited domestic hotels. The study also found that the extent of repeat trips by domestic tourists was influenced by the quality and diversity of infrastructure and tourist facilities. It is important to take the improvement of infrastructure into consideration when stimulating the development of domestic hotels.

Tax was another influential issue that was seen as having an impact on the development of domestic hotels. According to Prachachart Business (1992) the Thai Provincial Administrative Organization Act section 65, empowers the Orborjor (local official administration) to collect a certain fee with a maximum of 3% of revenue from the hotel room rate. In the results, twenty seven percent of respondents regarded local tax as having an impact on the development. Results also reported that many small to medium accommodation properties tend to operate without having registered just to avoid paying local tax. A clear example can be found in Phuket, Chonburi and Prachaub Khirikhan provinces where many small accommodation businesses operate without registering with the Thai Hotel Association.

Within the competitive environment, domestic hotels need to adjust the strategies to differentiate themselves from competitors and sustain customer satisfaction. In the results, respondents (24.2%) reported that they need strong marketing strategies to get the attention and build the satisfaction of the customer. They also acknowledged that

the oversupply of hotel operators near major destination has forced them to improve the marketing strategies. One example of the marketing strategies that they have put in place is price strategy. This finding was consistent with the work of the Nation (2014) who supported the views that Thai hotels tend to face an oversupply of rooms which directly affects the occupancy rate and therefore reduces the profitability of the hotel.

An improvement in staff competencies was a further influential issue for domestic hotels. Respondents (22%) noted that an improvement in staff competencies could play a part in building customer satisfaction and loyalty. Results indicated that most domestic hotel operators expected to improve their staff competencies to the same level as that in international hotels. In this study, the staff competencies included knowledge of products and services. Such competencies can support customer satisfaction and be a benefit for domestic hotels.

6.5 Linking the Relationship among Domestic Tourists' Views and Hotel Operators' Views

This section of the study investigates the relationship among the key stakeholders' views toward the influential future issues. The findings in this study are built on both qualitative and quantitative material. Significant tests were used to determine whether there was a difference between the key stakeholders' views. The independent-group t-test was the main statistical technique used in this part of study. The result of this section address aim 2 of the study.

6.5.1 Results of the respondents' views on scenarios

This section investigates whether there were significant differences among respondents' views to the scenarios. The three future scenarios were used to investigate the domestic tourists' and hotel operators' views concerning issues that will influence the future development of domestic hotels. Respondents were asked to rate all three future scenarios that Table 6.8 presents the results. The overall results indicated that the highest scores that were for the high growth and moderate growth with the low growth scenario being rated less likely.

Table 6. 8 Results of the mean difference among domestic tourists' views and hotel operators' views to scenarios

Scale (1= Not at all likely, 2= Slightly likely, 3= Moderate likely, 4 = Quite likely, 5= Very likely)

| Scenario | t | Sig. | Domestic tourists | Hotel operators |
|--|-------|------|-------------------|-----------------|
| | | | Mean (SD) | Mean (SD) |
| Scenario 1 (High Growth) | -0.09 | 0.92 | 3.41 (0.84) | 3.42 (0.79) |
| Scenario 2 (Moderate Growth) | -2.69 | 0.01 | 3.43 (0.72) | 3.78 (0.70) |
| Scenario 3 (Low Growth) | 3.59 | 0.00 | 2.76 (1.02) | 2.09 (0.99) |

Independent group T-test was employed to investigate whether or not there were significant differences among respondents' views for scenarios. The p value of 0.05, was a base to assess statistically significant difference among the means of respondents' perspective to scenarios. The overall results indicated that the highest scores were for scenario 1 (High Growth) and scenario 2 (Moderate Growth) while the lowest score were for scenario 3 (Low Growth).

In the results, no significant differences were found between domestic tourists and hotel operators for rating scenario 1 (High growth). In terms of scenario 2 (Moderate Growth), there was a significant difference with a mean of 3.43 for domestic tourists and 3.78 for hotel operators, with $t = -2.69$ and $p = 0.01$. The result indicated that hotel operators were more likely than domestic tourists to rate for scenario 2 (Moderated Growth).

For the scenario 3 (Low Growth), there was a significant difference with a mean of 2.76 for domestic tourists and 2.09 for hotel operators, with $t = 3.59$ and $p = 0.00$. Domestic tourists were more likely than hotel operators to rate for scenario 3 (Low Growth). One possible linked to this outcome is the influence of the expansion of the international hotels. This is consistent with the work of Imrie and Fyall (2004) and

Hoverson and Rvaz (2006) that the rapid growth and the expansion of international hotels may affect the future growth and change of local hotels.

6.6 Conclusion and Discussion

This study was conducted to investigate two main research questions: The overall perspectives of relevant stakeholders toward the future development of domestic hotels in Thailand, and the relationship among their perspective. Several conclusions can be drawn from the findings of the study as following:

Aim 1: To investigate overall perspectives of relevant stakeholders toward the future development of domestic hotels in Thailand

6.6.1 Summarizing results of domestic tourists' and hotel operators' views to scenarios

This section summarizes the findings of respondents on issues that seen as shaping the development of domestic hotels in Thailand in the next 5-10 years. The following presents the relationship among domestic tourists' views and hotel operators' views for scenarios. The respondents in this study included domestic tourists and hotel operators from Prachaub Khirikhan, Chonburi and Nakhon Ratchasima provinces.

For the domestic tourists' views, there were significant differences in prediction among domestic tourists from three provinces for scenario 3 (Low Growth). A possible explanation was proposed which suggested that the influence of the new airport in Bangkok was more apparent to Chonburi respondents in boosting international hotel growth rather than domestic hotels development. It can be implied that domestic tourists tend to perceive the development of domestic hotels to be less than that for the development of international hotels in the next 5-10 years. As domestic tourists earn more money in the future, it is possible that they tend to prefer to stay international hotels due to higher level of service standard of products and services and are anticipating growth in that component of the sector.

In considering hotel operators' views, no significant differences in prediction were found among hotel operators from three provinces for any scenarios. However, hotel operators appeared to have higher perception for scenario 1 (High Growth) and scenario 2 (Moderate Growth) as they expected to see their properties to be developed in the future.

6.6.2 Summarize further suggestions by domestic tourists and hotel operators about the development of domestic hotels in the next 5-10 years

This section summarizes the findings the further suggestions by domestic tourists and hotel operators concerning the future. Table 6.9 highlights the main results.

Table 6. 9 Synthesis of findings section of domestic tourists and hotel operators about the development of domestic hotels

| No | Further suggestion by domestic tourists |
|-----------|---|
| 1 | Consistency of good service |
| 2 | Promote tourist attractions |
| 3 | Hotel room rate discount |
| 4 | Consistency of good facilities in domestic hotels |
| 5 | Special promotion for domestic tourists |
| No | Further suggestion by hotel operators |
| 1 | Promote tourist activities at the attraction |
| 2 | Improve the infrastructure at tourist attractions |
| 3 | Decrease the local revenue tax |
| 4 | Competitive marketing strategy |
| 5 | Improve staff competencies |

Service quality has become one of the required aspects that service providers need for the future success. Service quality in this study has emphasized the ability of domestic accommodation to provide consistency of service, consistency of good facilities and improve staff performance for both hotel operations and management. The results of the study showed that domestic tourists and hotel operators had similar further suggestion for domestic hotels. Several existing studies that have regarded the

importance of good service quality as stimulating the future development of service providers (Matzler & Pechlaner, 2001; O'Neil, Mattila, & Xiao, 2006; Shanka & Taylor, 2003). Lepkova and Jefimoviene (2012) concluded that service quality within hospitality organizations leads to higher levels of repeat purchases, better word of mouth communication, and enhance customer satisfaction and royalty.

The promotion of tourist activities and the promotion of attractions were considered as important by both domestic tourists and hotel operators. Several studies have supported the importance of this kind of promotion (Shanka & Taylor, 2003). Tourist activities at the attraction may increase tourist experiences and add to the appeal of the accommodation (Alison et al. 2005). The benefits of accommodation from promoting tourist attractions and activities and are in evidence in several Thai tourism studies. For example, Wong (1991) reported that along with the promotion of the features of Hua Hin and Cha Am destinations, there has been a growth in different types of accommodation. Cohen (1996) supported the views that the trekking activities in the Northern provinces of Thailand can increase tourist experience and generate supplementary income to local accommodation. TAT (2011) supported the view that the promotion of new attractions and activities in the northeast provinces have resulted in increasing investment in the tourism businesses, such as restaurants, souvenir shops, and, importantly for this study, local forms of accommodation. This implies that the promotion of tourist activities and tourist attractions tend to stimulate the development of domestic hotels in Thailand.

Special hotel room rate and promotion were considered as further suggestions for the future development of domestic hotels by domestic tourists. The study found that special promotion and room rate potentially influenced domestic tourists in choosing types of accommodations. The special promotion in this study included room discount rates that linked to guest privileges, such as spas, massages and fitness options. Mujtaba and Mcfarlane (2007) supported the view that customers are directly influenced by promotion, price and the services promoted by the accommodation. Brotherton (2004) stated that these kinds of attributes of promotion are positive influences on customers and their hotel choice. Additionally, Huan and Sun (2014) who studied the economy hotel in China supported the view of this study that the

special promotions of hotel was important and influenced domestic tourists. It is therefore recommended that domestic hotels should put even more promotion strategies into practice in order to attract more tourists.

Similarly, developing a competitive marketing strategy was considered to an aspect for future development by hotel operators. The study found that the expansion of many international hotel operators has placed a pressure on Thai hotel operators to achieve their marketing goals. More importantly, domestic tourists have found international hotels to be very attractive in terms of price and service quality (cf. Imrie & Fyall, 2001; Brotherton, 2004). This reinforces the need for operators of domestic hotels to build effective marketing strategies to increase their image and consumer product awareness.

The improvement of infrastructure has become one of the major issues helping hotel operators to develop their properties. With an improvement in infrastructure, tourists can access more easily and stay longer at the attractions and accommodation. The study found that hotel operators perceived road transportation in particular as valuable and better power utilities to be useful to assist the daily operation of domestic hotels. A clear example that supports the view of this study was the work of Prideaux (1999) who observed that there was a relationship the value and potential burden of time spent travelling to a destination. The results of this study were also related to the work of Cole (2008) who added the view that the improvement of infrastructure can change the travel patterns of tourists, such as promoting more independent back packers as compared to mainly to groups travelling with a tour guide. In a Thai tourism study, Chatkaewnapanon (2011) pointed out that the investment from both national and local governments in tourist infrastructure has resulted in dramatically developing the hospitality businesses in Samui Island, notably in terms of accommodation, restaurants, bars and leisure activities. Therefore, the improvement of infrastructure as contributes strongly to the development of domestic hotels and the Thai tourism industry.

The issue of local tax was also considerable to have an impact on the development of domestic hotels. Evidence on the effects of tax can be found on the demand for travel

and vacation goods (Prachachart Business, 1992). Increase of local tax was found to be a burden largely borne by both tourists and hotel operators. For example, the demand for lodging in a resort was inelastic with respect to price and small hotels were affected disproportionately by tax increases.

Aim 2 To explore the relationship among the key stakeholders and their perspective on issues seen as shaping Thai domestic hotel activities

6.6.3 The relationship among domestic tourists' perspective and hotel operators' perspective

This section summarizes the results of the relationship among domestic tourists' view and hotel operator's view to future scenarios.

The study found that there were equal predictions among domestic tourists and hotel operators for scenario 1 (High Growth). Interestingly, the significant differences were found among domestic tourists and hotel operators' view for scenario 2 (Moderate Growth) and scenario 3 (High Growth).

When considering the mean difference, hotel operators are more likely than domestic tourists to have higher prediction for scenario 2 (Moderate Growth). It can be implied that hotel operators tend to have positive perception concerning the future development of domestic hotels. They believe that domestic hotels will be somewhat popular for middle class tourists in several tourist attractions and be able to compete with international hotels. These finding is related to the work of Sagnarong (2009) who support the view that several boutique hotels have put a lot of effort into service strategies to meet requirement of middle class domestic tourists.

In considering scenario 3 (Low Growth), hotel operators has mean differences lower than domestic tourists. This can be suggested that domestic tourists tend to believe that domestic hotels will not be as popular as today as it is hard to compete with international hotels due to a lack of improvement in service facilities. In this view of the future, domestic hotels will only be in a few sites in Bangkok and convenient or special rural areas. The local hotel brand tend to face the challenge and growing

pressure for improving service quality and sustaining their profitability with decreasing market share (Huang & Sun, 2014).

Chapter 7 - Discussion and Conclusion

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7.1 Introduction

This chapter has four sections. First, it summarizes the key findings of each study. Similarities and differences among stakeholders' views on influential issues that shape the development of domestic hotels across time are presented in a way that is consistent with the overall research aim of this thesis. The fundamental connection between major findings and previous tourism studies will be included in this section to enhance the overall understanding of the pattern of the development of domestic hotels. Second, limitations of the methods used and the weaknesses of the approach are examined and some strategies to improve future work will be proposed. Third, the future possibilities for conducting similar work on the development of domestic hotels in different regions of Thailand, and in different countries in South East Asia as well as with different stakeholders will also be considered. Fourth, an ideal future style for domestic hotels will be constructed based on the results of the future studies of this thesis.

7.2 Overview of Thesis Findings

The thesis seeks to fill some gaps in Thai tourism studies. These aims are:

1. To highlight the influential issues which have shaped the development of domestic hotels in Thailand from the last 50 years
2. To examine stakeholders and their views on influential issues that are seen as shaping the current development of domestic hotels
3. To examine stakeholders and their views on influential issues that are likely to shape the future development of domestic hotels
4. To explore findings of the work in the context of previous tourism development studies
5. To identify future possibilities for the development of domestic hotels

Aim 1 To highlight the influential issues which have influenced the development of domestic hotels in Thailand from the last 50 years

7.3. Discussion of the Main Findings of Study One

This study was based on archival analysis. The main aim of study one was to explore the development of domestic hotels from the last 50 years. The following discussion highlights the key issues.

The emergence of the US Army in Thailand during the Vietnam War had a major stimulating effect on the Thai economy and the Thai tourism industry. The study found that five provinces in the Northeast, such as Nakhon Rathchaisima, Udon Thani, Nakhon Phanom, Ubon Ratchathani and Khon Kaen were prominent in the beginning of the development of the tourism industry. The presence of the US army in Thailand led to the establishment of several types of the tourism businesses in these provinces, such as night clubs, bars and hotels, all catering to the needs of these servicemen. This is echoed in the work of Ouyanont (2001, p.159) who found that the Vietnam War and the US military in Thailand presence resulted in three main impacts on the economy of Thailand which included foreign direct investment, construction of hotels and the growth of other service industries. The present study found that during this time Thailand became much better known and more attractive to foreign investors and international tourists.

The government realized the potential of the Thai tourism industry to generate revenue for the country. As a result, the government established the Tourism Authority of Thailand (TAT) and the Thai Hotel Association (THA) which both provided guidance and support to the tourism and hotel industry. One significant example of the support of the government was a tax exemption policy for hotel entrepreneurs who established properties during this period. The hotel entrepreneurs were advantaged due to the waiving of tax in constructing hotels. Consequently, there was considerable growth in international and domestic hotels both in Bangkok and in major regions in Thailand.

The present study found that most of the established hotels were constructed in response to growing number of international tourists. This result is related to the work of Ankawani (1968) who stated that several hotels at that time improved their service facilities and amenities to meet international standards. The study also found that not only international tourists appreciated service quality from international hotels but growing numbers of the Thai upper class also enjoyed western-style amenities. This is echoed in the work of Boonkong (1974) who recorded the expansion of the establishment of tourism and hotel business in major attractions, such as Hua Hin, Bangkok and Bangsaen.

Another foundation issue was the role of the R&R activity in Pattaya. The presence of the R&R group stimulated the tourism businesses, such as bars, restaurant, hotels and night-time entertainment operators (Tasanasuwan, 1972). Smith (1992) observed that the growth of tourism in Pattaya resulted in urbanizing the area and developing a range of tourist accommodation options. The study found that not only was Pattaya popular with post R&R international tourists but also domestic tourists were attracted by the region due to its proximity to Bangkok and the many tourist activities. As a result, the development of tourism businesses in Pattaya shaped the development of domestic hotels.

The improvement in Thai infrastructure was also considered to be an influential issue. The government realized the importance of infrastructure development to regions and to accommodation properties. Consequently, an emphasis on infrastructure projects was included in the Fourth National Economic and Social Development plan. As a result, several infrastructure projects assisting tourism were established. These projects included the improvement of the highway from Bangkok to the Eastern provinces, the improvement of the road in Maehongsorn and its connections to other provinces in the Northern region, and the improvement of the ferry service between Samui Island and Phangan Island (Jeungwisetpong, 1989). This emphasis on infrastructure as a facilitating tool for tourism is reported by Prideaux (1996) who stated that the improvement of infrastructure precedes the establishment of accommodation.

The establishment of the new airport in 2006 has also influenced the development of domestic hotels and the hotel industry. The new airport not only became a hub in Southeast Asia but encouraged Thai tourists to access the regions of the country. The consequence of the establishment of the new airport also resulted in increasing the potential of the Thai tourism industry to attract international tourists. As a result, it stimulated the development of all hotels, including domestic hotels across the country.

The emergence of a Thai middle class was also important for the domestic hotels. The study found that several accommodation places began to establish and improve their services in response to those local tourists who seek unique experience from tourist attractions and accommodations. More importantly, domestic hotels attempted to differentiate themselves from international hotels by attracting domestic tourists through their service strategies. Such service strategies included local hotel designs, unique decoration, Thai themes and an emphasis on festivals and events (Kotler, 2003; Henderson, 2011). This middle class set of interests helped build the Thai domestic hotel sector.

Promotion of tourist resorts and locations was identified as having an impact on the development of domestic hotels. The study found that domestic hotels benefited from the campaigns of the government, starting with the “Visiting Thailand” campaign of 1987 and continued with the “Amazing Thailand” campaign of 1997 and its subsequent versions. As a result, the new attractions and destinations grew in accordance with the successful promotion. Butler (2006a) supported the views of this study that government policies at key stages of growth can influence the evolution of tourist destinations. Similarly, several other tourism scholars have addressed the importance of tourist promotion to the development of local tourist regions and accommodation (Hovinen, 2002; Shanka & Taylor, 2003).

Among all the influential issues, the political crisis in Thailand from 2005 to 2006 and the political crisis in Thailand in 2010 were considered to be the most negative influences on the development of domestic hotels. The political crises in Thailand have directly influenced the whole Thai economy and the Thai tourism industry. This is related to work of Pearce, Focken, Kanlayamasukho, Smith & Semone (2009)

who supported the views of this study that when the political crisis occurs, it will effectively cut adrift or maroon locations from the main movement of visitors. Such crises cause substantial re-orientation of tourists' flows. Some studies have focused on crises and crisis management within the tourism industry and attention is beginning to be given to the effects of the political crises on tourism and hospitality industry in Thailand (Kanlayanasukho, 2013; TAT, 2009; Thitthongkam & Walsh, 2010). In particular, the political crisis in Thailand has directed domestic hotels and the hotel industry in Thailand to adopt fresh strategies to sustain their viability and manage the situation.

Another influential issue identified was the development of E-Tourism. Domestic hotels have started to become aware of using technology to improve service quality. Domestic hotels have realized that technology is important for their properties in terms of promotion and competitive strategies (the Hotel Yearbook, 2014). This is consistent with the work of TravelRave (2013) that many tourists tend to share their service experience from accommodation and attractions through social media and community networks. The study also found that domestic hotels benefit from using technology to enhance customer experience. One clear example of the technology that was used in domestic hotels included online reservation and wireless internet within the premise of the hotel. Beldona and Cobanoglu (2007) draw a conclusion that using technology not only increases customer experience but increases views of service quality overall.

The historical review of domestic hotels revealed that there was a consistent quality issue for customers. The study found that most domestic hotel staff lacked competencies due to a lack of training in practice. Moreover, although management and practical training courses have now been established in private institutions and public universities, for those who currently work in the industry training options have been limited in the past. As a result, many domestic hotel employees do lack skills and competencies. According to Narangajavana (2007) staff performance can be considered to be the key success in increase customer experience and satisfaction. Maxwell, McDougall, and Bair (2000) have discussed service quality improvement and stressed its role. The service quality literature has established the relationship

between staff performance and on-site training strategies. (Phetcharak, 2002). This set of results implies that the provision of operation and management training in practice will shape the development of domestic hotels. The findings of this first study achieved the first aim of the thesis and provided a building block for further work about the present and the future.

Aim 2 To examine stakeholders and their views on influential issues that are seen as shaping the current development of domestic hotels

7.4 Discussion of the Main Findings of Study Two

This section reviews the second aim of the thesis: the stakeholders' views of present concern and issues.

Domestic tourists and hotel operators had similar perceptions about service quality in domestic hotels. The study has found that domestic tourists expected to receive a good level of service in the domestic hotel which included competency of staff, key in-room facilities and technologies, and a pleasant hotel physical environment. They claimed that service quality was considerably important and influenced them in choosing the accommodation. For the hotel operators, the study found that domestic hotels required but could not always get competent staff. This finding supported previous studies by other tourism scholars who acknowledged the role of both hotel attributes and service attributes as influencing customer accommodation choice (Wuest et al., 1996; Choi & Chu, 2001; Guzzo, 2010).

In terms of the improvements in technology, both domestic tourists and hotel operators had different views as to the use of this kind of facility in the hotel. Domestic tourists were likely to be concerned about their service experience through using technologies, such as WIFI in the room and public areas whereas hotel operators were concerned with using technology to facilitate and promote services and reduce production costs. These views have influenced domestic hotels to invest in the technologies as one of the service strategies to meet both customer and management requirements (Pizam & Ellis, 1999; Zhu, Wyner, & Jr. Chen, 2002). As an example, domestic hotel customers can now share hotel information with their friends when

accessing the internet from a bar, restaurant, lobby or guest room (Khemthong & Robert, 2005). As a result, domestic hotels benefit from both direct and indirect promotion by using the technologies.

The results indicated that domestic tourists and hotel operators had different perceptions concerning the location of domestic hotels. Domestic tourists chose their preferred locations based on their motives and travel purpose. The study found that Phi Phi Island, Khaoyai National Park and Pai district were chosen by domestic tourists for the purpose of relaxation and activity. This finding was related to the work of Okello and Yerian (2009) who supported the views of the study that tourists tend to choose their travel sites due to the special activities at the location. By the way of contrast, hotel operators regarded a good location as an asset that is linked to the ease of management, as well as image. Similarly, Pricewaterhouse Cooper (2005) and Lim and Endean (2009) observed that the benefits of location lie in combining quality of service and ease of delivering the services.

The improvement in Thailand's tourist regions was of considerable importance to the development of domestic hotels. It was found that hotel operators were concerned with the improvement of infrastructure. They regarded this feature as influencing the number of tourists to the region and its attractions and hence stimulating the development of domestic hotels. The improvement in infrastructure and tourist facilities appears to encourage tourists to access the attraction which consequently benefits domestic hotels (Prideaux, 1996; Prideaux, 1998; Cole, 2008).

The size of the operators was seen as a competitive advantage for domestic hotels. The study found that hotel operators and domestic tourists had similar perceptions concerning the size of domestic hotels. Domestic tourists stated that they tend to be comfortable with domestic hotels due to less structure in the organizations and personalised customer service offered by staff. This finding was related to the work of Henderson (2011) and Milburn and Hall (2005) who observed that the competitive advantages of small scale hotel operation were to reduce complexity within the workplace and enable staff to make decision in response to requests from the guests.

Interestingly, the present study found that the smaller scale promoted flexibility for domestic hotels to add to the uniqueness of their products and services.

Competitive marketing strategies were considered to be a further influential issue shaping present perceptions and operations. Only the hotel operators had views for improving marketing strategies. The study found that domestic hotels are facing the problems of lacking strong marketing strategies to increase customer awareness concerning quality of products and services. Consequently, it takes time for customers to become aware of properties. Previous research has pointed out that marketing strategies can stimulate the development of service providers (Kotler, 1984; Yelkur & Herbig, 1997; Henderson, 2011; Holverson et al., 2011). As a result, the company not only has to promote the supposed advantage but must deliver on those promises. Following this information, domestic hotels might build some clearer market appeal by implementing strong marketing strategies to differentiate themselves from other hotel products.

For the positive influential issues, the establishment of the new airport in Bangkok has directly influenced the development of domestic hotels. Hotel operators repeatedly acknowledged the benefit to their properties after the official opening in 2006. These views were consistent with reports by the TAT (2009) where it was argued that Bangkok has become an aviation hub for the Southeast Asian Region. The airport is given importance in relation to the investments in the Thai hotel business in the Eastern provinces as well as other major regions (TAT, 2009).

Another positive influential issue was that of the promotion of the MICE market in 2006. Results indicated that hotel operators demonstrated their interests in improving conference service facilities since Thailand has emerged as a viable conference hub. The growth of the MICE market in Southeast Asia and Thailand has consequently influenced Thai domestic hotels to improve service facilities, especially conference rooms and technologies in response to the number of domestic and international conference attendees (Euromonitor and International, 2012).

A key influential and positive issue that was identified by hotel operators was the increase in demand and taste of domestic tourists in seeking diverse experience from attractions and accommodation. Hotel operators were very positive about this trend because there has been an increase of those tourists who look for different experiences from the offering provided by the international chain hotels. This finding was linked to the work of Rogerson (2010) and Pricewaterhouse Cooper (2005) who supported the views that guests continually seek a unique different style from their accommodation and the property itself can become the main destination feature.

The political crisis in Thailand from 2005 to 2006 and the political crisis in Thailand in 2010 were perceived to be the most negative influential issues. In this context, both hotel operators and domestic tourists had similar perceptions about these incidents. Results indicated that the political crisis in Thailand not only created a negative image but reduced tourists' confidence in traveling in Thailand. This finding indicated that tourism is vulnerable and the political crisis can often be attributed to the security concerns (Kim & Wong, 2006). Interestingly, the flooding of Thailand in 2011 had a variable influence on the domestic hotels. Results indicated that the devastating flood in 2001 provided both a threat and opportunities for domestic hotels. Hotel operators in major attractions, such as Khao Yai National Park, Bangsaen and Pattaya and Hua Hin reported that their properties gained high occupancy with middle class domestic tourists from Bangkok staying in the hotels due to the devastating floods in Bangkok (TAT, 2010).

Similarly, the tsunami in Thailand in 2004 was a negative issue for the domestic hotels. Hotel operators reported a regional effect, especially in Phuket, Phang Nga and Krabi provinces (TAT, 2006). This result was consistent with the work of TAT (2005) who supported the view that tourists to these areas were fairly infrequent in the first half of 2005 and the hotel occupancy rates fell to 40% compared to 70% a year before. This incident reduced the confidence of domestic and international tourists to travel.

The last finding of interest was that the terrorism from the South from 2004 to present was also a powerful negative but localised force. The terrorism in the three Southern provinces of Thailand, such as Pattani, Yala and Narathiwat has influenced the

development of the tourism industry of Southern Thailand. Hotel operators in this study pointed out that the terrorism produced such problems as violent arson and shooting of travelers. Thitthongkam and Walsh (2010) observed that the riots due to terrorism dissuaded tourists from visiting Southern Thailand where the economy is greatly influenced by tourism.

Some issues which might be considered to be likely concerns for domestic hotels were mentioned infrequently. The theme of sustainability was raised on occasions but limited attention was given to the greening of domestic hotels. Similarly, the role of international tourists and the preferred nationality of the guests was mentioned only twice in this work. These concerns can be the subject of further research efforts.

Overall there was much consistency in the views of guests and hotel operators with considerable consensus on the positive and negative forces shaping the present domestic hotel sector.

Aim 3 To examine stakeholders and their views on influential issues that are likely to shape the future development of domestic hotels

7.5 Discussion of the Main Findings of Study Three

The final study was also based on a questionnaire and interviews. The use of future scenarios was an approach that was employed to investigate the views of stakeholders. The aims of this study were to identify the influential issues that were seen as shaping the development of domestic hotels in the next 5-10 years and further to examine the relationship among domestic tourists' view and hotel operators' views toward the influential issues. The major findings between domestic tourists and hotel operators are highlighted in Table 7.1.

Table 7. 1 Summary of the thesis findings of study Three

| Major findings | Similarities and differences of views | |
|--|--|---|
| | Domestic tourists | Hotel operators |
| Consistency of good service | Quality of facilities | Competencies of staff |
| Tourist attraction and activities | Promotion of tourist attraction | Promotion of tourist activities |
| Reduce the revenue tax | | Decrease local revenue tax |
| Special promotion and competitive marketing strategy | Hotel room rate discount, special promotion | Competitive marketing strategies |
| Improvement of infrastructure | | Improvement of infrastructure encourage the accessible of tourists |
| Scenarios | Predict scenario 3 (Low Growth) than often hotel operators | Predict scenario 1 (High Growth) and scenario 2 (Moderate Growth) than often that domestic tourists |

As shown in the Table 7.1, domestic tourists and hotel operators were consistent about the topic of service. Domestic tourists emphasized consistency of service quality while hotel operators were concerned with the improvement of staff competencies. Previous research has pointed out that service quality has increased customer experience and value, and can set a hospitality organization apart from its competitors (Countryman & Jange 2006; McIntosh & Sigg, 2005; Van, 2001). The promotion of tourist attractions and activities was considered both by domestic tourists and hotel operators to be an influential issue. Domestic tourists and hotel operators had a similar perception that tourists' activities increased customer experience and stimulated the development of domestic hotels. The trend of tourists seeking new destinations and activities has been

increasing and this tendency can reinforce the development of localised tourism and hotel business (Warnick & Klar, 1991; Morrison et al., 1996; Taylor, 1997). It can be suggested that domestic hotels can respond to their growing trend.

Another finding concerned taxation. Hotel operators acknowledged that taxes influenced the revenue of their properties. They added that tax increases not only reduced hotel revenue but increased hotel investment costs, such as purchasing machinery and raw materials for service. If the taxes continue to increase, it was suggested that they will restrict the development of the whole Thai tourism and hotel industry. It was implied in their comments that attention from the government is needed to re-formulate the tax policy to assist the overall growth of the hotel sector. Potentially the smaller domestic hotels can be seen as specially disadvantaged in tough taxation regimes because of a lower level of financial resources.

The room rate discount and strong marketing strategies were considered by domestic tourists and hotel operators to be influential issues. The study found that domestic tourists tended to emphasize the benefits they will get when reserving domestic hotels, such as room rate discounts and special promotions while hotel operators concentrate on implementing such marketing strategies. The appeal of promotional efforts was confirmed in other work as influencing customers in choosing accommodation (Brotherton, 2004; Ekiyor, 2011). It is possible to conclude that local hotels need to build strong marketing strategies to promote their products and services not only to compete with future competitors but to increase customer satisfaction.

Infrastructure improvements in society were also seen as necessary for the development of domestic hotels. Generally, only hotel operators emphasized this issue. They acknowledged the benefit of improvements in infrastructure to the development of the whole region and hence accommodation. Chatkaewnapanon (2011) supported the views of this study, noting that the improvements in connecting flights from the mainland to the Andaman coast has resulted in increasing tourist arrivals to Phuket, thus supporting the further establishment of resorts and hotels.

For the scenarios, domestic tourists tended to have a stronger prediction for scenario 3 (Low Growth). This implied that domestic tourists tend to be confident that domestic hotels will disappear from several major regions and not be as popular in the future due to a lack of improvement in service quality and facilities. It is possible to conclude that once domestic tourists have more income, they will shift to use the service of international hotels. On the other hand, hotel operators tended to support scenario 1 (High Growth) and scenario 2 (Moderate Growth). This indicated that hotel operators are still confident that domestic hotels will multiply and respond to growing numbers of domestic tourists in several major regions despite the expansion of international chain hotels. Moreover, service quality, facilities and staff competencies will be improved in response to customer requirements and thus they will be able to compete with international hotels.

Aim 4 To explore the findings of the work in the context of previous tourism development studies

7.6 Linkage among the Three Studies and Previous Tourism Development Schemes

The findings from the three studies complement and support each other. Taken together they contribute to a better understanding of the overall development of domestic hotels in Thailand. This section links three major findings and two previous tourism development studies; notably Tourist Area Life Cycle Model of Butler (1980, 2006a) and views of organic and induced development offered by Cohen (1976) and others.

7.6.1 The Tourist Area Life Cycle Model Concept (1980, 2006a)

The ideas of Butler have been widely used for three decades in the hospitality and tourism industry. Collin (1988, p.730) suggested that the model also clarifies the pattern of many resorts. Baum (1998) added that the Butler model can help to clarify and extend earlier tourism development work, for instance, the formative study about the contribution to the development of central place theory (Christaller, 1963), and the study of resort cycles as exemplified by Atlantic city (Standfield, 1978). Recently

some researchers have adopted the Butler model to study tourism destination difficulties. For example, Vein Moss et al. (2003) have adopted the life cycle model in the context of two terrorism attacks, the Twin Towers destruction in New York and the train bombings in Madrid. Similarly, Putra and Hitchcock (2006) applied the model to the resorts in Bali after the bombings in 2002. Cohen and Neal (2010) applied the model to examine the tsunami disaster on Thailand and its pattern of recovery from the shock situation. All of the examples above reinforced the significance of the Butler model in studying the cycle of development in hospitality and tourism research.

The TALC model may represent the overall pattern of development based on multiple cycles. Different parts of a destination can be at different stage at any point in time. It can be suggested that there are different cycles for different forms of tourism and even for individual activities (Zimmerman, 1997). Butler's model noted that for each life cycle stage there are changes in the morphology, the types of tourist visitation, and the residents' attitude toward tourists. Baum (1998) observes that each stage of evolution in the tourism destination has clear links to the following factors:

- There is recognition of the dynamics within the tourism destination from its inception.
- There is a focus on a common process of development within tourism destination, permitting description modelling.
- There is a wide-ranging recognition of capacity or limits to growth in destinations.

It appears that recently a lot of attention has been given to adapting and modifying the life cycle model to destinations. Nevertheless, few researches appear to have been employed the life cycle model to describe and understand the process of the development of such specific local topics as domestic hotel in Thailand.

As the thesis seeks to understand the development of domestic hotels in Thailand, the Butler's concept (TALC) was employed to interpret the development pattern and examine what are the influential issues that shaped their development across time and

growth. The stages of the Butler model are well known to tourism researchers and for the sake of completeness are summarised in Appendix 7.1.

The following Table 7.2 highlights the development of domestic hotels in Thailand from 1962-1970 as emphasis on the involvement stage in the terms used in the Butlers' model.

Table 7. 2 Suggested links between the (TALC) stages and the development of domestic hotels in Thailand from 1962-1970

| Stage and indicators | Observations about the development |
|--|--|
| Involvement | 1962-1970 |
| Pressure on the government and public agency to improve support and facilities | <ul style="list-style-type: none"> • The government established the Tourism Organization and Thai Hotel Association in 1960s with the aim to provide support and guidance to the industry • The government started to provide incentive tax for the private sector to build the hotels |
| Public investment in infrastructure | <ul style="list-style-type: none"> • The public companies coordinated with government to improve infrastructures and tourist facilities at the attractions in the Northern, Northeast, and Southern provinces |
| Local residents begin to provide facilities primarily or even exclusively for tourists | <ul style="list-style-type: none"> • Five star and local hotels started to provide amenities and service facilities for domestic and international tourists |

| | |
|----------------------|---|
| Emerging market area | <ul style="list-style-type: none"> • Thai upper class was the first local group to experience the service in the international hotel |
|----------------------|---|

The consequence of the support from the government and private sector in investing the infrastructures and improving facilities and services at the major attractions has resulted in stimulating the development of domestic hotels and the hotel industry in Thailand. Consequently, the domestic hotel and the international hotels were built by local residents to accommodate domestic and international tourists. This indicated that Thailand was in the involvement stage of destination life cycle according to the Tourist Area Life Cycle Model of Butler (1980, 2006a).

The following Table 7.3 identified the “involvement stage” of the Tourist Area Life Cycle which related to the observation of the development of domestic hotels from 1971-1980.

Table 7. 3 Suggested links between the (TALC) stages and the development of domestic hotels in Thailand from 1971-1980

| Stage and indicators | Observations about the development |
|--|--|
| Involvement | 1971-1980 |
| Pressure on the government and public agencies to improve support and facilities | <ul style="list-style-type: none"> • The establishment of training programs for staff in domestic and international hotels |
| Local investment | <ul style="list-style-type: none"> • The establishment of domestic hotels owned by locals and found in several major attractions, such as Ubon Ratchathani, Udon Ratchathan, Nakhon Ratchasima, |

| | |
|--|--|
| | Chonburi and Prachaub Khirikhan provinces |
| Local residents begin to provide facilities primarily or even exclusively for tourists | <ul style="list-style-type: none"> • Domestic hotels started to improve service facilities in order to attract more domestic tourists |
| Advertising to attract tourists commences | <ul style="list-style-type: none"> • Different kinds of communication were used by TAT to promote major tourist regions such as Phuket, Chiangmai, Hua Hin in order to attract international and domestic tourists. |
| Emerging market areas identifiable | <ul style="list-style-type: none"> • Domestic tourists favoured the Northeast provinces and Phuket province which stimulated the development of domestic hotels |

Since the Thai government promoted Pattaya as one of the major attractions in response to the rise of the Rest and Recreation group, other major attractions, such as Chiangmai, Phuket, Hua Hin, Chonburi, Nakhon Rathasima were also introduced to international tourists. Several advertisements were promoted and put their public relation efforts to attract the potential visitors. The presence of these attractions led to the establishment of several types of accommodations which included domestic hotels. The study also found that not only international tourists were attracted by the established attractions and accommodations but also domestic tourists enjoyed the western-style service. Consequently, the local residents started to improve service quality and facilities in order to attract these tourists. Consequently, the training programs were established with regard to improve quality of service for staff in domestic and international hotels.

The result of indicated that the development of domestic hotels in this period was still in the involvement stage due to the support from the government and private sector in

promoting the attractions and accommodations. Although the local residents started to involve in the development process, the government and private sector were seen as a major role to stimulate the development of domestic hotel. The following presents another stage of the development of domestic hotels related to the Tourist Area Life Cycle (Butler, 1980, 2006a).

Table 7.4 highlights the development of domestic hotels in Thailand from 1981-1990 as identifying the involvement stage related to the Butlers’ model.

Table 7. 4 Suggested links between the (TALC) stages and the development of domestic hotels in Thailand from 1981-1990

| Stage and indicators | Observations about the development |
|-------------------------------------|--|
| Involvement | 1981-1990 |
| Public investment in infrastructure | <ul style="list-style-type: none"> • The expansion of highway from Bangkok to the Eastern region stimulated the development of tourism and hotel business in Chonburi, Rayong and Chantaburi provinces • The improvement of Road No. 2090 from Bangkok to Nakhon Ratchasima province consequently stimulated the development of hotels and resorts in Pakchong district • The improvement of the ferry service at Samui, Phuket and Phaghan brought tourists to these attractions • The improvement of infrastructure in the Northern provinces resulted |

| | |
|--|---|
| | in the development of domestic hotels |
| Local residents begin to provide facilities primarily or even exclusively for tourists | <ul style="list-style-type: none"> • The service facilities in domestic hotels were improved in order to meet requirement of domestic tourists |
| Advertising the destination | <ul style="list-style-type: none"> • The consequence of promotion of TAT has resulted in increasing numbers of domestic and international tourists |
| Emerging market area | <ul style="list-style-type: none"> • Numbers of domestic tourists have increased since the improvement of infrastructure |

The consequence of the government and private sector in improving of road, infrastructure, ferry and tourist facilities to the major attractions has stimulated the development of domestic hotels in several attractions. The examples of the developments can be seen in Eastern, Southern and Northeast provinces where a number of domestic accommodations were established and developed in response to the growth of domestic and international tourists. The local hotel operators realized how importance of service quality and facilities. As a result, the service facilities in domestic hotels were improved in order to meet requirement of domestic and international tourists.

At this stage, the government and private sector were also considered to be an important role in shaping the development of domestic hotels. It can be seen that these improvements not only brought a number of tourists but stimulated the development of domestic hotels. The following stage of the development presents the observation of the Tourist Area life Cycle proposed by (Butler, 1980, 2006a) related with another stage of the development of domestic hotels from 1991-2000.

Table 7. 5 Suggested links between the (TALC) stages and the development of domestic hotels in Thailand from 1991-2000

| Stage and indicators | Observations about the development |
|---|---|
| Involvement | 1991-2000 |
| Pressure on the government and public agency to improve support and facilities | <ul style="list-style-type: none"> • The consequence of the Gulf War in 1991 and the unstable political climate in Thailand in 1992 pressured the Thai government to stabilize the economy • The Amazing Thailand campaign was released in 1997 by the government to attract tourists to Thailand and sustain the economy • The training program and education were established by the government and TAT in several institutions including universities to provide guidance and improve service quality |
| Local residents continue to provide facilities primarily or even exclusively for tourists | <ul style="list-style-type: none"> • Service quality and facilities in domestic hotels were improved in order to attract domestic tourists |
| Emerging market area | <ul style="list-style-type: none"> • The emergence of boutique hotels and resorts were found in several major regions in response to growing numbers of domestic tourists |

The Gulf war in 1990s has shocked the world economy and the tourism industry. This has led to the effort of the Thai government to stabilize the Thai economy and Thai tourism industry. One of the great effort of the government to stabilize the economy

was to release the amazing Thailand program in 1997. The campaign was not released only to sustain the Thai economy but attract number of international tourists to Thailand. Thai tourists also aware of the benefit of the campaign of the government. Consequently, number of boutique hotels and resorts were established in several major regions in response to growing numbers of domestic tourists. Moreover, local hotel operators continue to exclusively provide facilities and improved quality of service to these tourists.

The next stage presents the observation of the Tourist Area Life Cycle stage related to the development of domestic hotels in Thailand from 2001-2012

Table 7. 6 Suggested links between the (TALC) stages and the development of domestic hotels in Thailand from 2001-2012

| Stage and indicators | Observations about the development |
|---|--|
| Involvement | 2001-2012 |
| Pressure on the government and public agency to improve support and facilities | <ul style="list-style-type: none"> • Political crisis of Thailand from 2005 to 2006 and Political crisis of Thailand in 2010 created negative impact to Thailand and the tourism industry • Flooding of Thailand in 2011 had direct impacts on hotel businesses, especially in Bangkok |
| Public investment in infrastructure | <ul style="list-style-type: none"> • The establishment of New Airport in Bangkok in 2006 resulted in of boosting domestic hotels and the whole hotel industry in Thailand |
| Local residents continue to provide facilities primarily or even exclusively for tourists | <ul style="list-style-type: none"> • Staff competencies in domestic hotels improve in several major regions • The development of E-Tourism |

| | |
|----------------------|---|
| | from 2003 to 2006 is integrated into domestic hotel strategy to compete with international hotels |
| Emerging market area | <ul style="list-style-type: none"> • Increases in demand and taste of Thai tourists in seeking diverse holiday and recreation stimulate the development of hip, chic and boutique hotels • Marketing strategies of domestic hotels were improved to be competitive and attract more domestic tourists |

Among all the influential issues, the political crisis in Thailand from 2005 to 2006 and the political crisis in Thailand in 2010 were considered to be the most impact to the development of the hotel and tourism industry in Thailand. Another impact on the tourism industry was flooding in Thailand in 2011. The most damaged area in Thailand was found in Bangkok where number of hotels received the great impact from the flood. For the positive side, the government still play an important role to support the growth of the tourism and hospitality industry. The examples can be seen in the establishment of the new Airport in Bangkok and the improvement of E-Tourism. More importantly, increases in demand and taste of Thai tourists in seeking diverse holiday and recreation stimulated the development of hip, chic and boutique hotels. Consequently, local and investor were interested to invest in establishing domestic hotels with great facilities and service quality.

Although the tourism and hotel industry in Thailand had great impact on the political crises, the government still play a major role to sustain the industry by improving several projects. The increase of middle class domestic tourists was also considered to be the influential issues that stimulate the development of domestic hotels. The study found that there has been improving service facilities and quality in response to meet

requirement of domestic tourists. These observations indicated that the development of domestic hotels was still related to the “involvement stage” of the Tourist Area Life Cycle proposed by (Butler, 1980, 2006a).

The following presents the observation of the development of domestic hotels from 2012 to future links to the Tourist Area Life Cycle model.

Table 7. 7 Suggested links between the (TALC) stages and the development of domestic hotels in Thailand from 2012 to future

| Stage and indicators | Observations about the development |
|--|---|
| Development | 2012-Future |
| Rapid growth in visitation | <ul style="list-style-type: none"> • Improvements to infrastructure in the Northern, Northeast and Eastern regions resulted in increasing numbers of tourist and stimulated the development of domestic hotels |
| External investment leads to loss of local control | <ul style="list-style-type: none"> • The consequence of expansion of the international hotel is likely to require domestic hotels to improve service quality, facilities and staff competencies in order to attract tourists |
| Substantial advertising | <ul style="list-style-type: none"> • Special promotion of domestic hotels to meet expectations of domestic tourists, such as discount room rate and the packages linked to service facilities and additional activities |
| Well-defined tourist market area | <ul style="list-style-type: none"> • The domestic hotels will function more as a group in major regions to strengthen their networks and |

| | |
|--|---|
| | marketing strategies and increase brand recognition in order to compete with international hotels |
|--|---|

From 2012 and into the future, the development of domestic hotels can be cast in “the development stage” according to the Tourist Area Life Cycle Model proposed by Butler (1980, 2006a). The consequence of the support from the government and TAT in the last five decades has built a broad based of Thai domestic hotels. Looking to the future, the promotion of domestic hotels will be communicated to prospective domestic tourists by different kinds of media, such as social media, websites and some other innovative technologies. These likely trends reinforce the view that Thai domestic hotel businesses have up to date and well developed approaches to their market. This is consistent with the Hotel Yearbook (2014) which notes that the fast take-up of technology use is a part of the future success of domestic hotels. The expansion of international hotels tends to force such developments on domestic hotels. The study found that most domestic hotel operators interviewed in the research are aware of and likely to improve marketing strategies to promote customer awareness and respond to the requirements of domestic tourists. More importantly, the study found that domestic tourists might shift to international hotels once they earn more money and if they do not see improvement of service quality in domestic hotels.

In summary, linking the work in this thesis to the well-known Butler TALC model suggests a limited period of exploration, a lengthy period of involvement and a current phase of development for domestic hotels. New directions taken by international hotels suggest a potential crisis point in the near future.

7.6.2 Induce or organic development

Noronha (1977, p.23-24) proposed that a general model of unilinear evolution of tourism destination, somewhat similar to Butler’s later model, with the exception that “when developing nations have adopted tourism as a strategy of economic development there are often instances when tourism development commences at stages III, or by-passes stage II”. Cohen (1976) also stressed that tourism can be

introduced to an area in different ways-by outsiders, by internal business growth and by government. This view can be termed a multi-linear model.

From the results, the government and the Tourism Authority of Thailand were key players in the development of the Thai domestic hotels from 1962 to 2012. The government and TAT were involved with several projects which included the improvement of infrastructure, the tourism promotion campaigns, the establishment of new airport. These projects have been stimulating the development of domestic hotels and increasing the number of tourists to several major attractions. This is consistent with the work of Cohen (1979a, p.24) who observed that the tourist system can grow organically from businesses within the area, or it can be induced from the outside forces. The present study revealed that the government and TAT were the group who induced the tourism system in each region and stimulated the development of domestic hotels. The findings fit the direction of by passing some early development phases. As a result, the development of domestic hotels was found to commence at the stage two or an “involvement stage” induced by the government.

7.7 Limitations of the Methods Used

There are several research methods applied in the studies, including archival analysis, as well as qualitative and quantitative approaches. Some limitations of these approaches were unavoidable and faced by researcher. Adaptation of the study plan was undertaken. The following key points highlight the limitations and some successes of the methods used in the thesis.

As mentioned in Chapter Two, secondary data was employed to study the development of the Thai hotel industry according to the availability of archival sources from the libraries of universities and the Tourism Authority of Thailand. While these repositories keep good records of international tourist arrivals from other countries, data for domestic tourists appeared as far less detailed. Tracking detailed figure of past domestic tourists was simply not possible from the Thai resources. Some published and unpublished work of the previous tourism scholars helped depict the domestic tourist market even though the data may not fully reliable. Another limitation of the archival analysis was the translation of secondary data into English.

Most of the secondary data, such as tourism magazines, newspaper, journals were published in Thai. Translation from Thai to English can be difficult and not always reflect the underlying detail or motives of the reporter. In this thesis, time limitations prevented the use of multiple translators and reliability checks, therefore some errors of interpretation may be possible. Nevertheless, to minimize the difficulty of using the secondary data, the extended use of triangulation and multiple methods were applied to the study including visual techniques, such as microfilm, video and photographic records (Cohen et al., 2007).

A questionnaire survey was employed in Chapter Four, Five and Six (study Two and Three) to investigate perception of domestic tourists to the influential issues. The study found that some questions in the questionnaire were difficult for respondents to understand. A few respondents misunderstood the purpose of the questions and were unable to complete the questionnaire. This small drop-out rate reduced the overall respondent sample size. Images related to the study were provided in the questionnaire to attempt to clarify the meaning of the questions and stimulate answers from respondents. This is consistent with the work of Bailey (1994) who supported the views of this study that the visual images in the text encourage respondents to interpret questionnaires faster and more precisely. Recently, several tourism scholars have indicated that visual images are not only powerful in representation but may also be able to act as discussion points and increase the validity of research involving crossing boundaries (Brickell, 2012; Burns, et al., 2010; Hunter, 2012; Miller et al., 2010; Westwood, 2007). Nevertheless, specific images, such as those used in the scenarios may have hidden effects, including quality, perspective and comprehensiveness. Future work using destination image could use more example to limit these problems.

A snowball sampling approach was employed in study Two and Three (Chapter Five and Six) because it enabled the researcher to reach more respondents who had experience in managing domestic hotels. Some of these respondents also had experience in operating international hotels. As a result, some of the findings in this study are not just related to exclusively domestic hotels operators. The researcher tried to minimise this limitation by approaching more hotel operators with the background

and type of hotel service related to established characteristic of domestic hotels, but with limited success.

In-depth interviews were employed in Chapter Five and Six (Study Two and Three). As mentioned in Chapter Two, in-depth interviews can be considered time consuming and expensive (Douglas, 1976; Davies, 2006). The field trip to the three provinces was carried out within three months from the end of December 2012 to mid of March 2013. The in-depth interview was conducted from hotel operators in the three selected provinces. At first, thirty potential respondents were selected based on snowball technique and related to the established characteristics of domestic hotels. Additionally, four respondents were conducted by an in-depth interview to increase the reliability of the study. However, the researcher tried to approach more interviewees from the sector but failed due to the time and financial issues. The data would have been more reliable if the researcher collected more potential interviewees in other regions.

These were limitations in using the scenario in Chapter Six (Study Three). The study found that using the scenarios to anticipate the future development of domestic hotels was time consuming. The simple reading of the scenarios can take some minutes because the readers must put an effort to make their choices (Godet, 2000; Wilson, 2000). In study Three, most of respondents took time to seek the possible future development of domestic hotels while some of respondents refused to answer the survey when seeing the scenario section. Future studies need to make sure most respondents will readily accept this kind of task.

Some further stakeholders and other areas of research interest concerning the development of domestic hotels in Thailand should be explored. For instances, this thesis clearly conducted study with domestic tourists and hotel operators from Prachaub Khirikhan, Chonburi and Nakhon Ratchasima provinces. Future research could extend this kind of study with hotel staff, as well as local government and international hotel operators in Chiangmai, and Phuket, provinces. By studying further key regions of Thailand similarities and differences with the present work could build

a very complete picture for the whole country. These possibilities are presented in more detail in the next section.

Aim 5 To identify future possibilities of the development of domestic hotels

7.8 Future Research

The emergence of domestic hotels has been a growing part of the Thai tourism and hotel industry in the last two decades. Domestic hotels may continue to grow as long as the number of domestic tourists increase and seek diverse experiences. However, the trends influencing domestic hotels in the future are not all positive and there may be several issues that can possibly hamper the future development of such kinds of Thai businesses. Based on gaps existing in the literature and the limitations identified in the thesis, several research areas of future interest in the development of domestic hotels are discussed as follows.

7.8.1 Application to other regions of Thailand

The result of this study can be applied to review the development of domestic hotels in other regions of Thailand. First, domestic tourists tend to seek uniqueness from attractions and accommodation. A range of other locations in Thailand offer future prospects for domestic hotel growth and would be worthy of study. It is clear that good locations can attract domestic Thai tourists and stimulate the development of domestic hotels. Properties located near beautiful attractions and with good services and additional activities are likely future opinions. Results of study Two indicated that Pai, Phuket and the floating market locations were preferred by domestic tourists as sites for domestic hotels. This finding was fully support by the idea that such locations can support the future development of domestic hotels (Boutique & Lifestyle Lodging Association, 2010; Henderson, 2011). The finding of study Two also revealed that the improvements in infrastructure influenced domestic tourists to visit. Multiple studies in diverse areas (Maliphan, 1970; Prideaux, 1998) and recent studies in tourism (Cole, 2008; Chatkaewnapanon, 2011) have indicated that the improvement of infrastructure and tourist facilities not only changes the patterns tourists' travel but will also encourage tourists to access new regions. Therefore, with an increase in tourists in

seeking diverse experience from accommodation, a good location and the improvements of infrastructure can be considered as guiding themes to structure the study of future locations for domestic hotels in other regions of Thailand.

7.8.2 Application to other countries in Southeast Asia

While this thesis has emphasized the development of domestic hotels in Thailand, little parallel work has been done in other parts of Southeast Asia. The results gained from the thesis can be applied to study some contexts of the development elsewhere in Southeast Asia because of similarities in the economies, social class, culture, technological advances and improvement of infrastructure in these societies. Vietnam and Malaysia, in particular, would be countries with some parallel experience in hotel growth and development and could serve as interesting comparative sites.

Under the Asean Economic Community (AEC), a single common market of Asean countries will be created by 2015. The consequence of the implementation of AEC policy will result in increasing middle class tourist travel within the region and there will more tourists from other countries that have begun to explore many parts of Asia as new visitors. The emergence of these middle class tourists presents significant business opportunities. The increasing middle class population in Southeast Asian countries is also the crucial growth factor behind the region's growth in the tourism industry (TravelRave, 2013). As their economic prosperity continues to grow, professionals in the hospitality industry can develop businesses to meet the challenge of effectively and sustainably meeting this demand.

One challenge that the hospitality sector faces with the rise of middle class tourists concerns changing taste (Agget, 2007). Some tourism studies in the western context have reported that middle class travellers are tired of the kinds of service from larger conventional hotel chains and tend to seek distinctiveness from other types of accommodation (Sendlinger, 2005a; Freund de Klumbis & Munster, 2005; Holverson et al., 2006). Thai tourism has also benefitted from the growth of the country's economy which has encouraged domestic tourists to seek some different tourism products (Kaosa-ard et al., 2001). As a result, changes in the demands of middle class

domestic tourists from across Southeast Asia may shape the development of the hotel industry. The opportunity to study this dynamic process continues as a fresh challenge in the future of Thai hotel operations.

Another trend which appears likely to shape the future development of domestic hotels in Southeast Asia lies in the cultural diversity of the region. The previous research reported that cultural tourism has long existed, but recent demographic, social, and cultural changes in the main source countries have led to increasing numbers of new niche market from source countries (Enderesen, 1999). The travel markets within Southeast Asia are inherently diverse in culture and different travel needs. For example, Indonesians generally demonstrate more interest in historic and cultural travel programmes than their Thai and Malaysia counterparts (TravelRave, 2013). The TravelRave (2013, p.4) also reported that from these demands the industry professionals tailor their travel packages and offerings based on local market interest and need. Southeast Asia's diverse markets offer ideal destinations for nearly every type of traveller, including those seeking beach resorts, city excursions, cruises, historical tours, and other trips. According to findings of study Two and Three, attraction and tourist activities were of considerable importance for the development of domestic hotels. Therefore, hotel operators in Southeast Asian countries should be able to shape their offerings to allow for more customised responses to the culture diversity of regional and domestic tourists in the future.

It was also reported in study Two and Three of this thesis, that domestic hotels use technology on two fronts: first for channel marketing and to influence customer experiences; and second, for staff interfaces and operations. Following this finding, a similar concern can be applied to study the future development of domestic hotels in Southeast Asia. Improvements in technology will give a rise to a new attraction within the Asian travel and tourism industry which is rich in opportunity (TravelRave, 2013, p.18). Asian travellers are constantly connected, using these technologies at each stage of their journeys. More than four-fifth of travellers use the internet to plan their hotel stays according to "The constantly connected Traveller," a Google study presented at TravelRave 2013. Examples of technology that are used to connect with the new destinations include social media, big data and mobile technology.

TravelRave also found that this is especially true with Chinese, Thai, and Filipino travellers; 85% are active social media users during their trips. They mostly share status updates, upload photos, provide comments, and search for local information during trips, mostly relying on hotel WI-FI and connection points when travelling. On the other hand, the need for connectivity tends to integrate service strategies (Beldona & Cobanoglu, 2007). As the technology continues to respond to customer requirements, it will increase service quality and customer satisfaction. It can therefore be suggested that advances in technology should be included in the future study of the development of domestic hotels in Southeast Asia.

Study Two of this thesis also revealed the relationship between the improvement of infrastructure and the development of domestic hotels. This could be explored further in the context of the development of domestic hotels in Southeast Asia. The development of infrastructure, such as roads, ports and airports are being concentrated among Southeast Asian countries. One example of the improvement of infrastructure in Southeast Asian countries was the establishment of three highways linking Asean-countries the North/ South route linking Myanmar, Thailand, Laos, and Vietnam (Business in Asia, 2013). Another example of the improvement of infrastructure can be found in the plan for establishing a high-speed train project that will link Kuala Lumpur to Singapore (TravelRave, 2013). Several previous tourism studies have emphasized that infrastructure and tourist facilities can be considered to play an essential part in attracting tourists and stimulating the development of hospitality businesses (Prideaux, 1996; Prideaux, 1998; Shanka & Taylor, 2003; Chatkaewnapanon, 2011). These ideas strengthen the emphasis on how hotels benefit from improvements to infrastructure and it can be studied further as a major influential issue that determines the development of domestic hotels in Southeast Asian countries.

7.8.3 Potential studies of other stakeholders

The set of studies in this thesis has investigated the influential issues that stimulated the trajectory of domestic hotels across time by assessing views of domestic tourists and hotel operators. It is appreciated that many of the findings presented and discussed

throughout the thesis are descriptive and involve the reporting of frequencies. The work adds value as a comprehensive description of the Thai situation. Nevertheless, in the future not only further stakeholders can be considered particularly government officials, international hotel operators and staff but the detailed reasons explaining their attitudes can be explored in richer detail.

7.8.3.1 Government officials

The role of government in South East Asian studies can be seen as pivotal to the success of the tourism industry. The findings of the thesis reveal that the government has been a key major driver of the development of the tourism and hospitality industry in Thailand. As a result, the government could be another stakeholder to study in detail in future research. The important role of the Thai government in developing the hotel industry has been emphasized by several Thai tourism scholars (Chatkaewnapanon, 2011; Choibumrung, 2005; Chancharat, 2011; Kaosa-ard et al., 2001). In this context, the government is not only a policy-maker but supported the private sector to develop the tourism industry, such as providing guidance, promoting the tourist industry, improving infrastructure, and regulating fair competition. The development of the Thai hotel industry largely depends on how the government perceives its role and which policies are implemented for its development. A further study could conduct interviews with tourism related officers from the municipal level, the provincial level and the national level in order to investigate their views on the planning, and the perception of the development of domestic hotels. Importantly, the regional tourism offices might have their own specific strategies to cope with their destination issues while the municipal level will cover different strategies in its own area. Although there is a unified policy for tourism offices at all different levels, perception of the development of domestic hotels might vary from area to area or vary in different places. Therefore, since this thesis examines the influential issues that contribute to the development of domestic hotels by assessing perception of different stakeholders, it could be a good starting point to carry out further investigation on the government role.

7.8.3.2 International hotel operators

As the domestic hotels continue to grow, a number of forces are likely to affect their future development in relation to the role of international hotel chains. As a result, international hotel operators' views toward the development of domestic hotels should be explored. Such future research should be concerned with international hotel operators' view about their strategy to compete with domestic hotels and the requirement of domestic tourists compared to the offerings of international hotels. The study could not only conduct work with international five star hotel operators but should investigate international three to four star hotel operators in order to compare similarities and differences of how they react to the development of domestic hotels.

In summary, it can be suggested that there is much value in understanding the voices of the right stakeholders in tourism analysis (Price, 2004). Identifying the values of these groups might add insights to the development of domestic hotels. Mitchell (1997, p.21) supported such views for future research by stressing that the ability to identify, prioritise, and respond to stakeholders will define future opportunities and directions. It is believed that all these groups of people will have an influence on the direction of the future of the hospitality business in Thailand.

7.8.3.3 Staff of domestic hotels

One of the prominent influential issues discussed repeatedly in this thesis is service quality. The findings of the thesis have outlined the importance of the employees in service delivery and their direct interaction with the guests. As a result, employees are another potential stakeholder to consider in the future research. The stakeholder theory suggested that the value in understanding their perspective is simultaneously based on the belief that they are people who are directly affected by the activities of the particular organization (Freeman, 1984; Harrison, 2003; Price, 2004).

The important role of employees in developing the hotel organizations has been emphasized by numerous of tourism scholars (Dimitriades, 2006; Luo & Homburg, 2007; Phetcharak, 2002). It is appreciated that there are many empirical studies on

customer satisfaction with service staff (Dimitriades, 2006; Chi & Qu, 2008; Faullant et al., 2008; Narangajavana, 2007). The employee not only responds to the customers' requirements but also represents the company to customers (Wilson, Harris & Small, 2008). A notable example in this thesis is the demand by domestic tourists to improve domestic hotel staff competencies and service quality. Therefore, the role of employee is of great importance to both future research and to forging better domestic hotels. It can be noted that in Thailand, domestic hotel employees may be unused to research practices and procedures. When studying this group, interviews and conversational dialogue may be a better approach than standardised surveys and scenario questions.

7.9 An Ideal for Future Thai Domestic Hotels

On reflecting on the results of this thesis, the researcher can suggest four areas for creating ideal domestic hotels in Thailand. Such suggestions may contribute in a modest way to the future development of the hotel industry and tourism in Thailand.

7.9.1 Location and activities

The emergence of new major attractions and destinations tends to stimulate the development of domestic hotels. As stated in the study Three, both domestic tourists and hotel operators acknowledged the contribution of various attractions to the accommodation. The results of this thesis can be applied to the ideal of domestic hotels that a good attraction that appeals to the tourists will stimulate the development of associated tourism businesses. The study of tourist satisfaction with attractions has been well supported by other scholars (Kahyarara & Mchallo, 2008; Okello & Nowacki, 2013; Yerrian, 2009). A series of studies about Thai tourism has supported the view that ideal domestic hotels can link with attractions and influence tourists to stay in the region (Darnell & Johnson, 2001; TAT, 2011; Wong, 1991). A number of authors point out the usefulness of this concept in studies of attraction visitors (Thomson et al., 1993; Prentice et al., 1998; Beck & Cable, 1998; Ryan, 1997).

There is a strong link between attractions and tourist activities that help inform the requirement for the ideal domestic hotels. The results of this thesis supported the view

that multiple activities will make major destinations more appealing and increase tourist satisfaction. Tourists are more likely to visit regions which offer multiple activities which they can enjoy (Aho, 2001). In the tourism literature, tourist activities are both the reason why people visit attractions and a determinant of the overall travel experience (Crompton & Love, 1995; Pearce, 2005). Some tourism scholars have provided notable examples of activities at the attraction that increase tourist satisfaction. These examples include shops, catering, entertainment, special events, and high quality environment activities concern (Moscardo & Pearce, 1986; Swarbrooke, 1995). In the Thai context these potential activities are not linked to shopping and nightlife, although these may be important, but also include visits to temples, opportunities for trekking, seeing local cultural festivals, and sites of environmental or spiritual significance. It can be suggested that future domestic hotels should focus on linking these properties to access these preferred kinds of leisure time pursuits. This view is consistent with the work of Okello et al. (2005) who support the perspective that proximity to such attractions and activities, when planned well can strengthen the hospitality organizations. As a result, strong relationships with attractions and tourist activities can be considered to be an ideal for future domestic hotels.

7.9.2 Service facilities in domestic hotels

One of the recurring findings in the thesis that can define ideal domestic hotels of the future was the need to upgrade the service facilities to accommodate and increase customer experience. Yee et al. (2009) found that service facilities have a significant relationship with customer satisfaction. The result of this thesis suggested ideal domestic hotels should attend to the physical environment, the standard of construction and facilities, the quality of maintenance in order to assure positive experience for the future customer. Researchers and practitioners have agreed that service facilities build customer satisfaction and loyalty which are valuable for the success of any hotel (Matzler & Pechlaner, 2001; O'Neill, Mattila, & Xiao, 2006; Shanka & Taylor, 2003). Several tourism studies have revealed an improvement in hotel attributes (Qu, Ryan & Chu, 2001; Shanka & Taylor, 2003) has led to customer loyalty. Consistency in maintaining quality facilities and service also appear to

enhance customer satisfaction and loyalty (Reid & Bojanic, 2009; Zabkar et al., 2009). As a result, the emphasis on the links between customer satisfaction and service facilities can be applied in building an ideal for domestic hotels.

7.9.3 Technologies in domestic hotels

The effort and attention given to the use of technology in domestic hotels was been noted in the results of this thesis. For the ideal domestic hotels, using technology will be a focus to enhance service performance and promote guest experience. A number of tourism studies have shown how hotels benefit from using the technology (Dholakia & Kshetri, 2004; Khemthong et al., 2005). Khemthong et al. (2005) revealed in preliminary studies that the use of technology by Thai hotels was primarily for advertising, not for providing a fully interactive site with the full range of marketing functions, particularly e-commerce features. Consequently, moving into the future, ideal domestic hotels need to be proactive in developing their competitive strategy through technology (Hou, 2014).

More specifically, Hou reported that social media platforms such as Facebook, Twitter and You Tube were considered to be the tools to promote hotel brands while motivating guests with unique selling points. This view is consistent with the work of Accenture (2012) who argued that ideal domestic hotels should innovate using technology adoption. This view is in agreement with the technological innovation literature that found perceived benefits were the best predictor of the adoption of innovation (Rogers, 1995; Iacovou et al., 1995; Hou, 2014). As a result, technology should become a tool for management within the ideal domestic hotels.

7.9.4 Employees in domestic hotels

As stated in the Study Three of this thesis, competency of staff is likely to be a key issue that will enhance positive customer experiences. As a result, the competency of staff must be incorporated in the ideal domestic hotel. A number of tourism scholars have pointed out the importance of skilled staff in the study of customer satisfaction (Line & Runyan, 2012; Mcintosh & Siggs, 2005, Matzler & Pechlaner, 2001). Lepkova and Jefimoviene (2012) offered the view that the quality of hospitality

services involves specifically treating guests with empathy, kindness, being knowledgeable, and above all, being friendly. Studies within the hospitality sector have supported the view that hotels strive to continually improve the performance of their employees (Bigne et al., 2005; Bowen, 1997; Kozak & Rimmington, 2000).

7.10 An Uncertain Future

Ideal domestic hotels, imbued with all the features generated by the findings of this research may be a competitive part of the future Thai hotel landscape. Some elements necessary to understand the future of such properties were not clearly identified in the present work. For example, there are no definitive results from this thesis about the size or scale of ideal domestic hotels, though the definition used and the properties studied tended to be smaller rather than at the scale of large international hotels. A smaller size appears to confer some management advantages and can perhaps be designed in a more distinctive Thai style with architectural and interior design nuances to appeal to those looking for different experiences. Nevertheless, despite the identification of positive directions for their future, at this point in the trajectory of Thai tourism, domestic hotels are not an assured part of the future of the industry. The further study of these businesses in the context of their competitors may determine which path dominates the coming decades: international control and homogeneity or local diversity and ownership.

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Appendices

Appendix 4.1: Questionnaire for Domestic Tourists



Survey on the development of domestic hotels in Thailand

Introduction

This survey is designed to help researchers and the tourism industry understand and predict the development of the domestic hotel in Thailand. The survey is conducted by



Jarujes Thanksooks, for his Ph.D study in James Cook University, Australia. The results of survey will increase our understanding of the development of the domestic hotels. We hope you can spare 10-15 minutes to complete this survey.

To help you fill in the survey here is our definition and concept of domestic hotels

Definition and concept of domestic hotels

The domestic hotel is the accommodation that is mainly used (but not exclusively) by **domestic tourists**. In addition, the scope and characteristics of the domestic hotel include:

- Owner operated and not part of a consortium,
- Offers personal interaction between the staff and the guests,
- Have features of special interest, private special activities, or are closed to a special attraction
- Have moderate capital investment

Part 1 The development of domestic hotels (Customer part)

1) How many times have you stayed in a domestic hotel?

- Once
- 1-5
- 6-10
- More than 10 times

2) How many nights do you usually stay in a domestic hotel on any one trip?

- 1 night
- 2-3 nights
- 4-7 nights
- More than 7 nights

3) Which of the following hotel services have you used in the last year?

- International chain hotel or resort (4-5 star rated) InterCon, Fourseasons, Accor
- International chain hotel or resort (2-3 star rated) Best western, Ibis, All seasons
- Thai hotel chain or resort (4-5 star rated) Dusit Thani, Centara, The imperial
- Independent Thai domestic hotels or resorts

4) How would you rate your overall travel experience? (Please circle your best response)

- Have not travelled very much outside my own city
- Have travelled to several cities
- Have travelled all over Thailand
- Have travelled all over Thailand and overseas

5) What is it that you need the most when reserving a hotel room in a domestic hotel?



Please describe your 3 main needs

- 1.....
- 2.....

3.....

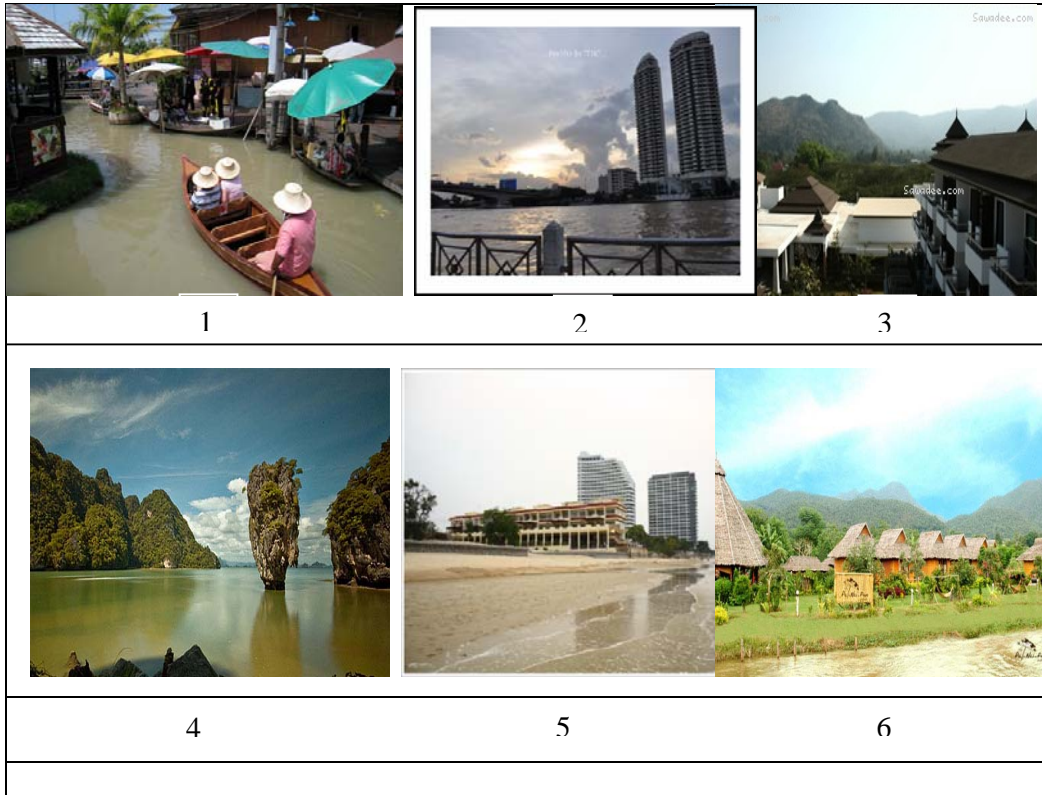
6) What 3 facilities do you think a domestic hotel Must provide in your room?



The three facilities are

- 1.....
- 2.....
- 3.....

7) Which picture is the most suitable location for domestic hotels?



1 Please describe your preference first location (choose a number)

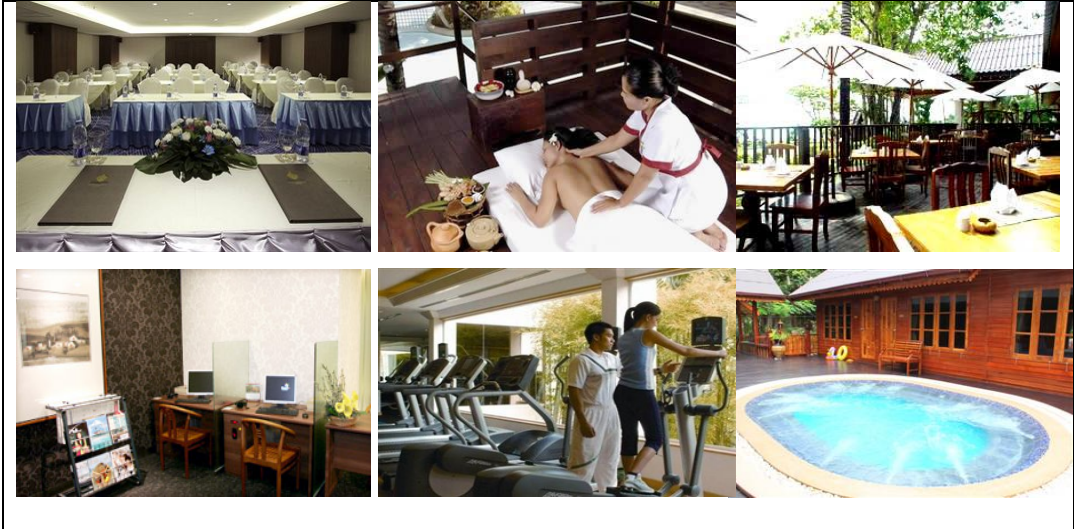
.....

2 Then list your second preference (choose a second number)

.....

3 And finally your third preference and reasons (choose a third number)

8) What other facilities do you think a domestic hotel might also provide?



Other important facilities are (use your own example)

- 1
- 2
- 3

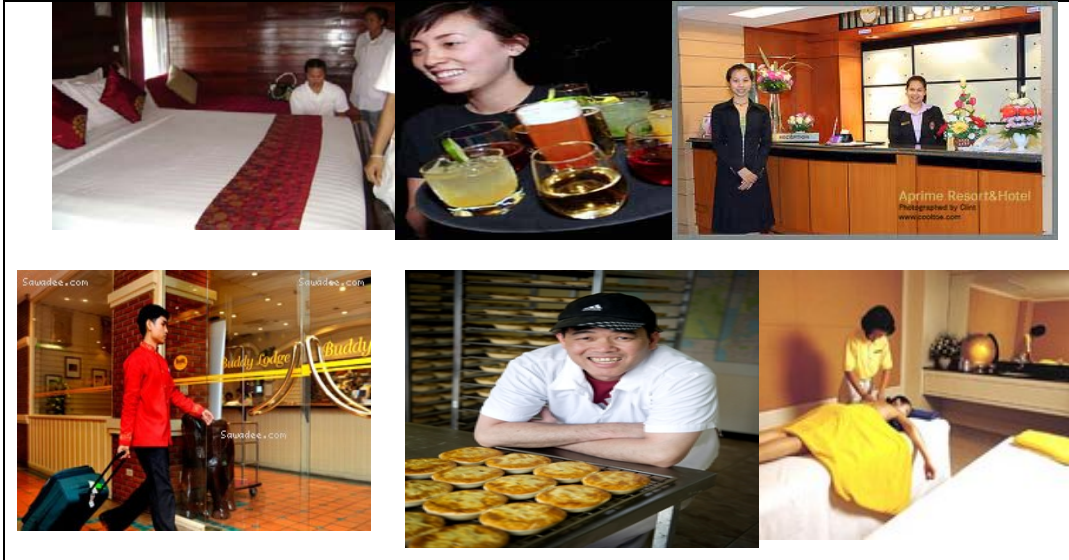
9) Are there any special activities that a domestic hotel should try and promote?

Three special activities hotels should try and promote are (use your own example)



- 1
- 2
- 3

10) What are the 3 most important qualities of staff in domestic hotels?



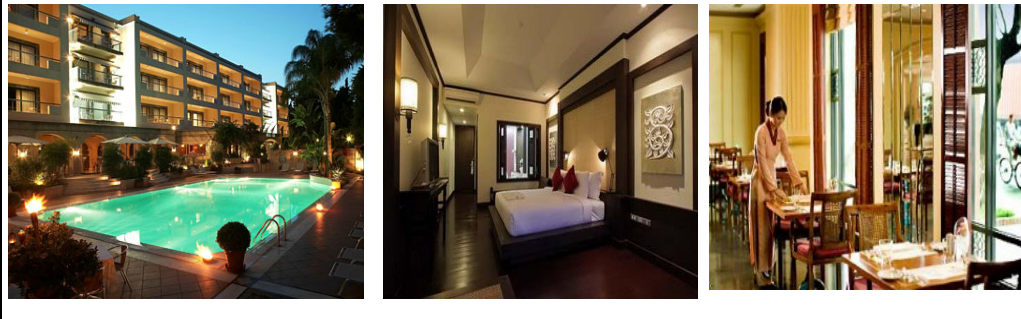
Please list the most important 3 qualities

- 1.....
- 2.....
- 3.....

Part 2 Please look at the three following scenarios and answer the questions. What do you think is the likely future of domestic hotels in Thailand in the next 5-10 years.?

Scenario 1 (High growth)

Domestic hotels will become very popular as more Thai people earn more money. They will be in many sites close to Bangkok and also rural areas. They will not be as expensive as international hotels. The government will provide some tax incentives for investment. Many will be owned by small local families and investors. The standard of food and beverage will be excellent.

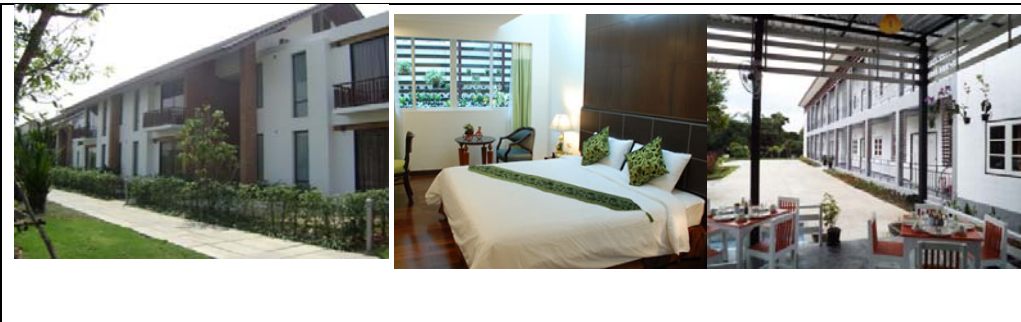


How likely is it that this will be the future of domestic hotels in 5-10 years time (please circle your answer)

Not at all likely Slightly likely Moderate likely Quite likely
Very likely

Scenario 2 (Moderate growth)

Domestic hotels will be somewhat popular as the future develops for people in Thailand. They will not be as experience as international hotels. The government will provide only a few tax incentives for investment. They will be in many sites in Bangkok and rural areas. Some domestic hotels will be owned by local families. The standard of food and beverage will be good.



How likely is it that this will be the future of domestic hotels in 5-10 years time

(please circle your answer)

Not at all likely

Slightly likely

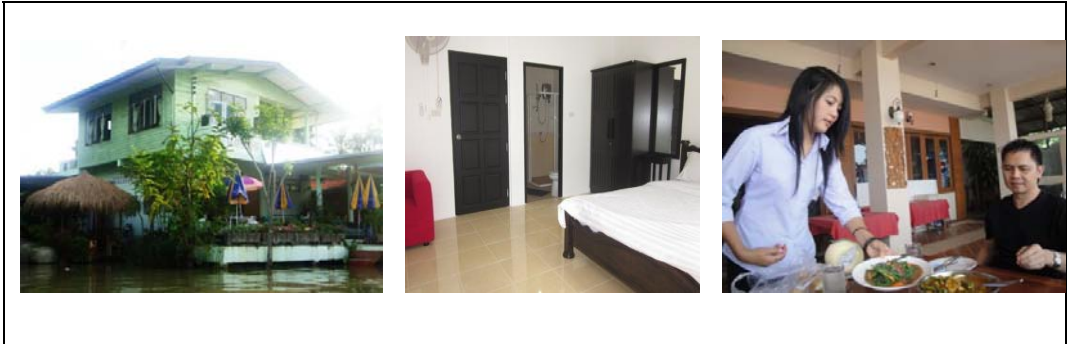
Moderate likely

Quite likely

Very likely

Scenario 3 (Low growth)

Domestic hotels will not be very popular and they will find it hard to compete against international hotels. The government will not provide tax incentives for investment. They will be in only a few sites in Bangkok and rural areas. As Thai people earn more money, they will give up staying in domestic hotels and move to more international hotels. The standard of the food and beverage will be average.



How likely is it that this will be the future of domestic hotels in 5-10 years time (please circle your answer)

| | | | |
|-------------------|-----------------|-----------------|--------------|
| Not at all likely | Slightly likely | Moderate likely | Quite likely |
| Very likely | | | |

Do you have further ideas to describe the development of domestic hotel in the next 5-10 years?

.....
.....
.....

Part 3 Demographic

1. Gender?

- Male
- Female

2. Which of these age groups applies to you?

- 26-35
- 36-50
- 51 and older

3. Marital status

- Single
- Married

4. Education:

- Junior middle school or under
- Senior middle school/Technical school
-



College/university

- Postgraduate or above



5. What is your annual income (Baht)?

- Less than 300,000
- 310,000-450,000
- 460,000-600,000
- 610,000-1 million

6. On what basis do you work?

- Full time job
- Parttime job
- Other

7. What is your occupation?

Appendix 4.2 Supplementary Information

An analysing of the data contrasting those who had recently stayed in 4 or 5 star international hotels (4.3%) or 2 or 3 star (6%) with domestic hotels (54.5%) and Thai hotel chain (35.2%) indicated the following key patterns.

4.1 Types of hotel (4-5 stars international hotels) service by hotel features

For the significant results, there were relationship types between hotel service (international hotel 4-5 stars) compared to other hotels and the good appearance of staff, Chi-square ($df = 1, N = 334$) = 5.36, $p = .02$. The study found that eleven percent of respondents who stayed in international hotel 4-5 stars considered the appearance of staff to be a desirable staff qualification in domestic hotels.

Interestingly, the results indicated the significant relationships between types of hotel service (international hotel 4-5 stars) and WIFI service, Chi-square ($df = 1, N = 334$) = 3.81, $p = .05$. Twenty seven percent of respondents who stayed in 4-5 stars international hotels were significantly more likely to choose WIFI as one of the specific requirements in reserving domestic hotels.

4.2 Types of hotel (2-3 stars international hotels) service by hotel features

For the types of hotel (2-3 stars international hotels) compared to other hotels, there were significant relationship between type of hotel service (2-3 stars) and the desirability of having WIFI, Chi-square ($df = 1, N = 334$) = 3.92, $p = .04$. Seventeen percent of respondents who stayed in 2-3 stars international hotels were significantly more likely to regard WIFI service as a specific requirement in reserving domestic hotels.

4.3 Types of hotel (4-5 Thai hotel chain) service by hotel features

The study found that there were significant relationship between types of hotel service (Thai hotel 4-5 stars) compared to other hotels and an image of Chao Phraya River, Chi-square ($df = 1, N = 334$) = 7.32, $p = .02$. More than half of the respondents were

significantly more likely to choose the image of the Chao Phraya River to be the preferred location for domestic hotels.

Additionally, types of hotel service (Thai hotel 4-5 stars) were significant related to the reasons of choosing the image of Chao Phraya River to be the location for domestic hotels, Chi-square ($df = 1, N = 334$) = 7.29, $p = .04$. Reasons stated by respondents were a good scenery (57%), while 56% of the respondents claimed a choice of travel options and (52%) of the respondents mentioned the good atmosphere.

4.7 Types of hotel (Domestic hotels) service by hotel features

Results indicated that there were significant relationship between types of hotel service (Domestic hotels) and a good location, Chi-square ($1, N = 334$) = 10.16, $p = .00$. Sixty seven percent of respondents who stayed in domestic hotels significantly considered a good location to be the specific requirement in reserving domestic hotels.

Additionally, adventurous activities were also one special activities required by respondents. In the results, there were significant relationship between types of hotel service (Domestic hotels) compared to other hotels and the adventurous activities, Chi-square ($df = 1, N = 334$) = 10.16, $p = .00$. Domestic hotels, respondents were significantly more likely to choose the adventurous activities to be one of the special activities requirement that domestic hotels should provide.

Appendix 5.1 Questionnaire for Hotel Operators



Survey on the development of domestic hotels in Thailand

Introduction

This survey is designed to help researchers and the tourism industry understand and predict the development of the domestic hotel in Thailand. The survey is conducted by Jarujes Thanksooks, for his Ph.D study in James Cook University, Australia. The results of survey will increase our understanding of the development of the domestic hotel. We hope you can spare 20 minutes to complete this survey and interview.

To help you fill in the survey here is our definition and concept of domestic hotels

Definition and concept of domestic hotels

The domestic hotel is the accommodation that is mainly used (but not exclusively) by **domestic tourists**. In addition, the scope and characteristics of the domestic hotel include:

- Owner operated and not part of a consortium,
- Offers personal interaction between the staff and the guests,
- Have features of special interest, private special activities, or are closed to special atmosphere
- Have moderate capital investment

Part 1 The development of domestic hotels (Hotel owner/Manager)

1. Hotel size:

The amount of capital registered..... **bahts**
The number of guest room available for sales..... **Rooms**
The number of full time employees.....**Persons**

2. Management pattern

- International hotel chain
- Independent international hotels
- Thai hotel chain
- Independent domestic hotels

3. How long has your property been operating?

.....

4. What is your target market?

.....

5. Average occupancy rate? (Total number of available room in a year/ Total number of available room in a year x 100)

.....percent

5.1 Average of domestic tourists per year?

.....percent

5.2 Average of international tourists per year?

.....percent

6. Room rate of your hotel (select up to 4 responses)

- Below 500 baht
- 500-999 baht
- 1,000-1,499 baht
- Over 2,500 baht

7) What situations that you considered to be the negative factors that had been influencing the development of domestic hotels and hotel industry of Thailand (2000-2012)? Please rank them from 1 for the most important down to 8 for the least important.

- The impact of terrorism of U.S.A in 2001
- SARS crisis between 2002-2003
- Tsunami in Thailand in 2004
- Bird flu in Thailand in 2004
- The terrorism of the South in 2004
- Political crisis of Thailand from 2005-2006
- Political crisis of Thailand in 2010
- Flooding of Thailand in 2011

8) What do you consider to be the positive factors that have been influencing the development of domestic hotels and the hotel industry of Thailand (2000-2012)? Please rank them from 1 for the most important down to 8 for the least important.

- The establishment of sustainable tourism of Thailand in 2001
- The opening of New Airport in Bangkok in 2006
- The promotion of MICE market in 2006
- The development of E-Tourism from 2003-2006 in order to facilitate the hotel businesses
- The improvement of logistics system, road, infrastructure and basic facilities
- The improvement of the tourist attractions
- The improvement of staff competencies in the hotel
- Increase in demand and taste of Thai tourists in seeking diverse holiday and recreation

9. In your opinion, what is your competitive advantage and disadvantage over the international hotel?

9.1 Advantage.....

9.2 Disadvantage.....

10. In your opinion, what will possibly be the positive factors that influence the development of domestic hotels in the next 5-10 years?

.....

11. In your opinion, what will possibly be the negative factors that influence the development of domestic hotels in the next 5-10 years?

.....

12. In your opinion, how will you compete with international hotels in the next 5-10 years that is what will you do to offer a better experience?

.....

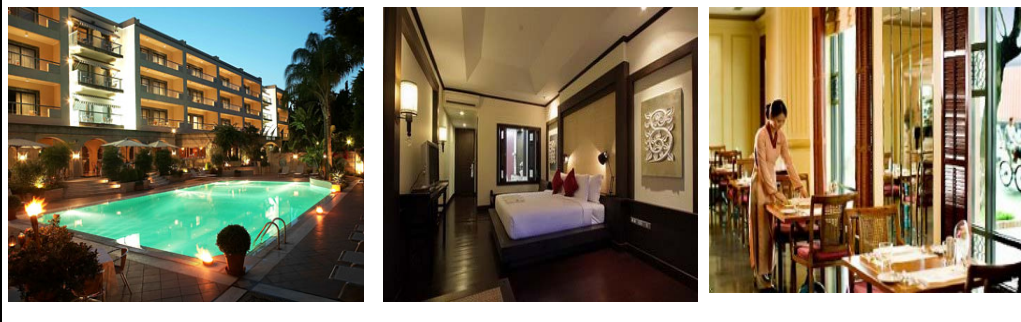
13. In your opinion, what do you think that Thai tourists will want from domestic hotels in the next 5-10 years

.....

Part 2 Please look at the three following scenarios and answer the questions. What do you think is the likely future of domestic hotels in Thailand in the next 5-10 years.?

Scenario 1 (High growth)

Domestic hotels will become very popular as more Thai people earn more money. They will be in many sites close to Bangkok and also rural areas. They will not be as expensive as international hotels. The government will provide some tax incentives for investment. Many will be owned by small local families and investors. The standard of food and beverage will be excellent.

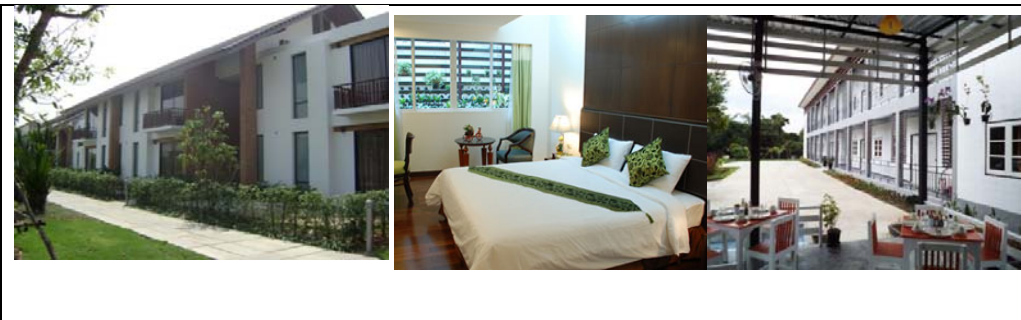


How likely is it that this will be the future of domestic hotels in 5-10 years time (please circle your answer)

Not at all likely Slightly likely Moderate likely Quite likely Very likely

Scenario 2 (Moderate growth)

Domestic hotels will be somewhat popular as the future develops for people in Thailand. They will not be as experience as international hotels. The government will provide only a few tax incentives for investment. They will be in many sites in Bangkok and rural areas. Some domestic hotels will be owned by local families. The standard of food and beverage will be good.

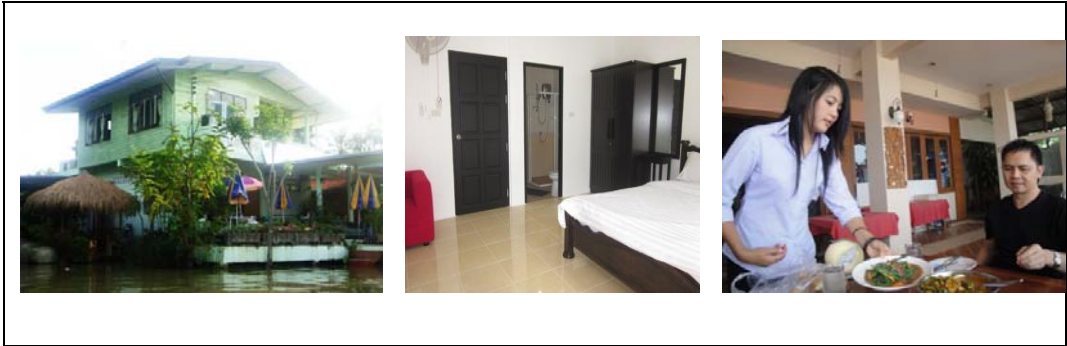


How likely is it that this will be the future of domestic hotels in 5-10 years time
(please circle your answer)

| | | | | |
|--------------------------|------------------------|------------------------|---------------------|--|
| Not at all likely | Slightly likely | Moderate likely | Quite likely | |
| Very likely | | | | |

Scenario 3 (Low growth)

Domestic hotels will not be very popular and they will find it hard to compete against international hotels. The government will not provide tax incentives for investment. They will be in only a few sites in Bangkok and rural areas. As Thai people earn more money, they will give up staying in domestic hotels and move to more international hotels. The standard of the food and beverage will be average.



How likely is it that this will be the future of domestic hotels in 5-10 years time (please circle your answer)

| | | | | |
|-------------------|-----------------|-----------------|-------|--------|
| Not at all likely | Slightly likely | Moderate likely | Quite | likely |
| Very likely | | | | |

Do you have further ideas to describe the development of domestic hotel in the next 5-10 years?

.....
.....
.....

Part 3 Demographics (General manager/ Owner)

1. Gender?

- Male
- Female

2. Which of these age groups applies to you?

- 26-35
- 36-50
- 51 and older

3. Marital status

- Single
- Married

4. Education :

- Junior middle school or under
- Senior middle school/Technical school
- College/university
- Postgraduate or above

5. Position

- General Manager
- Owner
- Others.....

Appendix 5.2 Ethics Approval

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Appendix 5.3 Informed Consent for Interview and Questionnaire Survey

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has been removed

Appendix 7.1 A Succinct Review of the Butler TALC Model

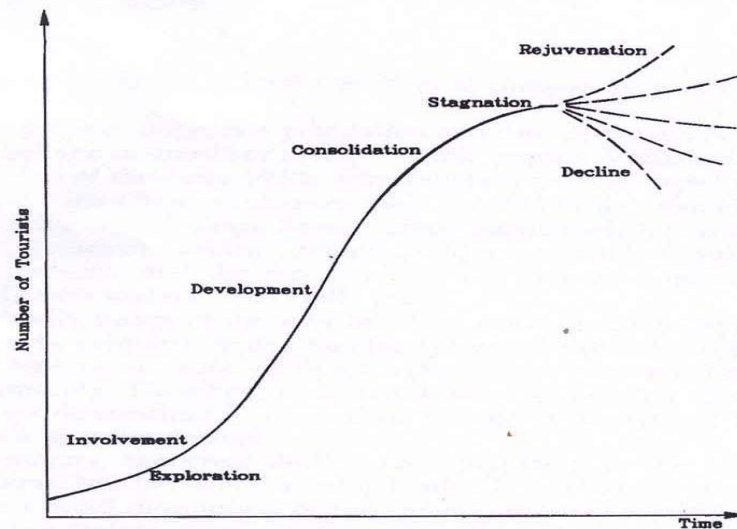


Figure 1. Hypothetical Resort Cycle Source: Butler (1980).

The stage of the development of domestic hotels linked with the Tourist Area Life Cycle model (1980, 2006a)

The description and interpretation of the development pattern of the Thai domestic hotels can be related to six stages of tourism area lifecycle (TALC) proposed by Butler (1980, 2006). These stages are: exploration, involvement, development, consolidation, stagnation and decline or rejuvenation. The first stage of the model is Exploration, this when a small number of visitors are attracted to an area by natural beauty or cultural characteristics, but the numbers are limited and few tourist facilities exist. Stage two is involvement, this is when there is limited involvement by local residents to provide some facilities for tourists and a recognisable season and tourist market begins to emerge. Stage three is development, now large numbers of tourists arrive to an area and control passes to external organisations and there are increased tensions between locals and tourists. Stage four is called consolidation, in this stage tourism has become a major part of the local economy, although rates of visitor growth have started to level off and some older facilities are seen as second rate. Stage five is known as stagnation. This is when the numbers of tourist peak and the

destination is no longer seen as fashionable and the turnover of business properties tends to be high. The sixth and final stage of the Butler model is decline or rejuvenation, the attractiveness of the destination continues to decline and so visitors are lost to other destination. The destination then becomes dependent on day visitors and weekend recreationalists from a limited geographical area. Long-term decline will continue unless action is taken to rejuvenate the area and modernise it as a tourist destination. Each stage of the model has different characteristics and factors that influence the development of the destination.

