A STUDY ON THE INFLUENCE OF ECONOMIC CONDITIONS CONCERNING HOTEL SELECTION OF INTERNATIONAL TOURISTS IN BANGKOK ACCORDING TO PRICE

By

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A Research Project Submitted in Partial Fulfillment of the Requirements for the Degree

MASTER OF BUSINESS ADMINISTRATION

Hotel and Tourism Management

(International Program)

Graduate School

SILPAKORN UNIVERSITY

2006

ISBN 974-11-6545-5

The Graduate School, Silpakorn University has approved and accredited the research project title of "A Study on the Influence of Economic Conditions Concerning Hotel Selection of International Tourists in Bangkok According to Price" submitted by Atita Sanehmahakul as a partial fulfillment of the requirement for the Master's Degree in Business Administration in Hotel and Tourism Management.

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47501336 : MAJOR: HOTEL AND TOURISM MANAGEMENT
KEY WORD : HOTEL SELECTION, CONSUMER BEHAVIOR, PURCHASING POWER, PRICES, A RISE IN OIL PRICE, AND LOW-COST CARRIERS

ATITA SANEHMAHAKUL: A STUDY ON THE INFLUENCE OF ECONOMIC CONDITIONS CONCERNING HOTEL SELECTION OF INTERNATIONAL TOURISTS IN BANGKOK ACCORDING TO PRICE RESEARCH PROJECT ADVISOR: ASSOC. PROF. WASIN INKAPATANAKUL, PH. D., 73 pp. ISBN 974-11-6545-5

The paper presents the results of a research study on consumer behavior. The paper focuses on the determinants of economic behavior, such as the impact of low cost carriers, the rise in gas price, purchasing power, and also on the effects of economic ethnocentrism on hotel purchasing patterns.

The study is based on a survey of 400 international travelers in Bangkok, using a questionnaire acquisition approach. The travelers are segmented by reasons of travel (business or leisure), and discrete choice analysis is applied to model customer preferences for accommodation.

Overall, the empirical results find that consumer preferences are moving towards being more budget conscious as a result of the global economic deterioration. The costs of tourism to the visitor, particularly the costs of transportation and accommodation, are relevant to the travel decision. Changing costs in particular destinations and exchange rate variations are regarded as the most important economic influence on destination shares of total travel abroad.

The survey results also confirm the long-held belief that price, location, and room amenities, and quality of service are the critical value drivers for the economy segment. Although price seems to be the primary value driver followed by location of the hotel for the economy segment, it is found that the selection process is also led by new value drivers such as technology and internet. According to this study, hospitality services have become more or less commodities, and hotels are fast becoming indistinguishable from each other, hotels must be quick to adapt to the new and changing requirements of their customers in order to win their business. The overall study, therefore, works significantly as the understanding of customers' choices and that allows hotel's owner and investors to better design their service offerings and formulate corresponding operational strategies around customer need.

Hotel and Tourism Management (International Program) Graduate School, Silpakorn University Academic Year 2006

Student's signature ...Atita. Sanehmahakul...

Research Project Advisor's signature ...Wasin Inkapatanakul...

ACKNOWLEDGMENT

I would like to express my sincere gratitude to my father and mother, for their generous patience and support all through my life.

I would also like to express my grateful appreciation to Assoc. Prof. Wasin Inkapatanakul, Ph.D., Mr. Robert Mckenzie and Mr. Caturonga Tandatanaya for their assistance, support and valuable advice for my research.

I thankfully appreciate the generosity of Miss Saengduen Ratinthorn, who has always kept me updated and informed, without her help this research paper would have not been completed. I also would like to thank Mr. Tosapon Pakdeethitipaibool, Miss Rungporn Rojpalakorn, Miss Chunkamol Plugpluemsub, and Miss Sutthasinee Phemsubhirun for their encouragement and for sharing their knowledge with me.

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CHAPTER 1
INTRODUCTION

Bangkok has become a popular destination for people from developed countries in Asia and Europe. Being a famous tourist destination in Southeast Asia, Bangkok boasts a wide variety and an abundance of accommodation. Major 4 and 5-star international properties are located in the center of Bangkok, and more accommodation of different types can also be found everywhere, ranging from cheap guesthouses offering 200-baht rooms to luxury hotels in which one has to pay about 4,000 baht up for a standard room (Bangkok: TAT, 2004).

As globalization is an obvious trend, most giant hotel chains have expanded to Thailand, attracted by its rapid economic growth and tourism development potential. However, the brands that already have a presence in Thailand are in the higher category of the hotels, at least three-stars but mainly four-and five-stars (Bangkok: TAT, 2004).

In the past fourteen years, the Bangkok hotel room supply increased significantly from 30,220 in 1998 to 60,924 in 2004 (Bangkok: TAT, 2004). Given only modest demand growth over the period, this has led to an oversupply of rooms with occupancy rates at about 60 percent (Bangkok: TAT, 2004). The occupancy rate from 2001 to 2004 showed only slight improvements, and this occurred only because room rates were eased..

STATEMENT OF THE STUDY

The past several years have seen dramatic changes in the hotel industry in Thailand. Although the major hotels are still trying to emerge from the rubble of recent economic and geopolitical events, other segment of hotel business have eagerly seized new opportunities and built solid businesses (Borenstein, S., 1992). Indeed, one of the biggest opportunities-budget hotel chains-are the new paradigm in hotel business. It is also said that a big factor which determines the investments and the strategy expansion plan of the major hotel groups is the significant increase of travel around the globe (Theobald, W., 1997). Another important factor is the continued expansion of the aviation industry - especially of low cost carriers - which has made more destinations more accessible than ever (www.asiatraveltips.com: 2005). This gave strong motivation to hotel groups to invest in new markets and declare presence in regions that had not included in their previous strategy.

Thus, overall this paper is a study on the impacts of current economic conditions on hotel selection behavior and how price is playing a significant role on consumer behavior.

OBJECTIVE OF THE STUDY

1. To investigate the major contributing factors affecting the economic-oriented traveler's decisions.
2. To investigate the effects of low-cost carries on travel spending.
3. To investigate the importance of price and how price influences buying decision
4. To investigate customer satisfaction levels of the existing accommodation.
5. To investigate traveler's preference upon hotel purchase.

HYPOTHESIS OF THE STUDY

It is expected that financial and economic variables such as relative prices, and exchange rates would be found to be very important in determining the change in consumer's attitudes and the demand of economy hotels.

A rise in travel cost is also hypothesized to have a relationship with the choice of hotel. More Pacific-Asian travelers will select low-cost hotels if the value of their currencies becomes weak relative to Thai currencies. An increase in travel costs is expected to result in a decline in demanding for 4-5 stars hotels. Due to the change in attitudes caused by economic uncertainties, it is, therefore, expected to lead to an increase in demand for international budget hotels.

PROCESS OF THE STUDY

This research project will take four months or more, the process of the study is as follows;

1. To search and study on the past researches and articles textbooks, journals, newspapers, TAT annual reports, and data base online which are related to the topic.
2. To determine the content of questionnaire and pretest it. Revision will be done if necessary. This is to ensure that the question is not confusing and ambiguous.
3. To measure attitudes, perceptions, and preferences and to analyze data with the use of The Statistical Package for the Social Sciences (SPSS) statistical program.
4. To summarize data and write up discussion and recommendations on the overall study.

BASIC ASSUMPTIONS

1. Gain a thorough understanding of the budget hotel industry and the variables affecting the hotel industry.

2. Gain valuable insights of on-the-ground consumer behavior and reactions towards the price, preference, and booking methods.

SCOPE OF THE STUDY

The study focuses on tourist's choices on accommodation. The study works significantly on leisure travelers as the majority of the survey respondent, with 81 percent, are in Bangkok for leisure purpose. This study is restricted on data related to tourist arrivals at accommodation established in Bangkok from 2000 to 2004. Only the international tourists from Hong Kong, Singapore, Mainland China, Taiwan, Malaysia, Korea, Australia, the United Kingdom, and the United States are taken into accounts. This is because these countries account for nearly 80 percent of total tourist arrivals in Bangkok during the period studied.

DEFINITION OF THE STUDY

The definitions of terms used in this study are as follows:

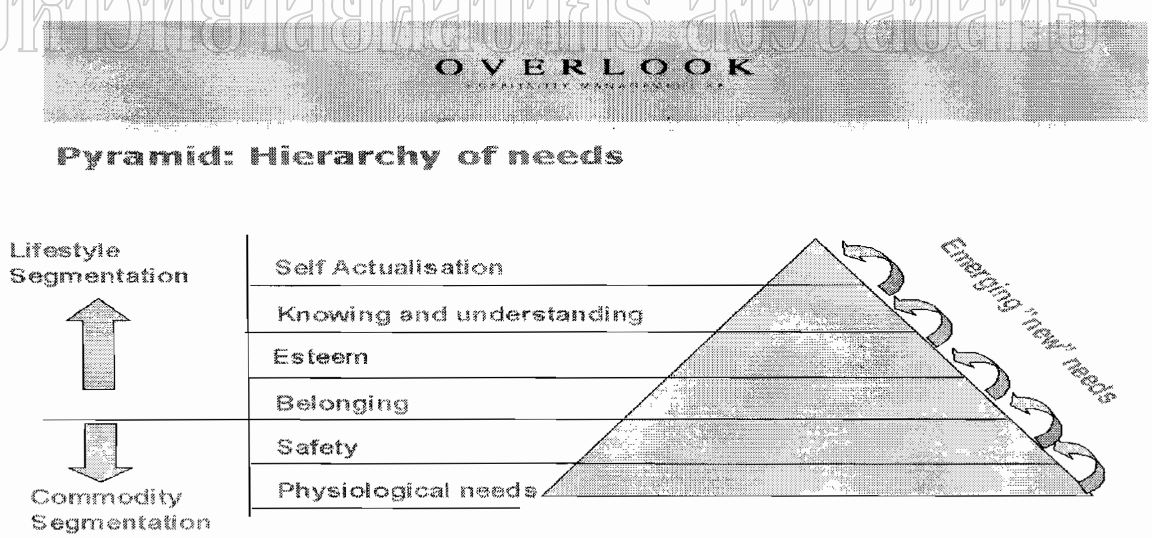
1. ***"Consumer behavior"***: the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.
2. ***"Leisure traveler"*** is a traveler who takes holiday for pleasure, as opposed to business traveler.
3. ***"Business traveler"*** is a traveler whose expenses are paid by the business he works for.
4. ***"Low cost carrier"*** is an airline that offers generally low fares in exchange for eliminating many traditional passenger services. The concept originated in the United States before spreading to Europe in the early 1990s and subsequently to much of the rest of the world. The term originated within the airline industry referring to airlines with a low - or lower - operating cost structure than their competitors. Through popular media the term has since come to define any carrier with low ticket prices and limited services regardless of their operating costs.

CHAPTER 2

LITERATURE REVIEW

<u>CONSUMER BEHAVIOR ON HOTEL SELECTION</u>

Consumer behavior essentially refers to how and why people make the purchase decisions the way they do (Dimanche, F & Havitz, ME, 1994). According to Lee, T & Crompton, J (1992), consumers adjust purchasing behavior based on their individual needs and interpersonal factors. Lee and Crompton believed that purchase decisions depend on personal emotions, social situations, goals, and values. People buy to satisfy all types of needs, not just for utilitarian purposes (www.tokyotightwad.com: 1998). These needs, as identified by Abraham Maslow in the early 1940s, may be physical or biological, for safety and security, for love and affiliation, to obtain prestige and esteem, or for self-fulfillment (www.mrdowling.com: 2004).



Following the Maslow model, the most basic need of any traveler is to find a place to sleep during his stay and one finds different factors influencing his decision on where to stay based on location, budget, amenities, purpose of visit and so on.

Dr. Robert Lewis (1984) conducted a substantial marketing research to understand hotel selection behavior, and important attributes for staying at the hotel. He found overall salient attributes and determinant factors for both business and pleasure travelers are location, prices, accommodation, and services. Lewis wrote:

"Hotel choice is a reflection of guests' desired determinant attributes and their perception of a given hotel's ability to deliver those attributes. In other words, individuals decide, consciously or unconsciously, which attributes they must have in a hotel, which of those attributes are present in one hotel and absent in another, and finally, which combination of those attributes is being best delivered by a particular hotel. This last combination is perceived as offering the guest the best bundle of benefits available in a given situation (Lewis, 1984)."

When asked the reasons for hotel selection, Lewis further used factor analysis to identify 17 determinant variables, which are service quality, overall feeling, security, upscale services, food and beverage price and quality, aesthetics, décor, ambience, amenities, image, beverage quality, room and bath condition, health facilities, reputation, quiet, room attributes, reservation and front desk, price and value, and location. These factors accounts for 70.5 percent of the total explained variance (Lewis, 1984).

ECONOMIC BEHAVIOR OF TRAVELERS

Human behavior and psychological motivators play a part as well. Economic psychology, or how humans react to economic conditions as they perceive them, can be vital for travel professionals to understand the many hidden motivators that drive people to travel (Moutinho, L., 1993)

Ross, GF (1994) explained that economic behavior is human decision and choice with regard to the use of scarce resources such as money, time, and energy to satisfy needs. Economic behavior, particularly from tourists, is almost always motivated behavior (Ryan, C, 1998).

According to the theory of consumer behavior on choice and budget constraint studied by Sheth, JN; Newman, BI & Gross, BL (1990), consumers are assumed to be rational, trying to get the most value for their money. Consumer demand is believed to be a function of taste, price and income (Ross, GP, 1994).

Following that prices are strongly influencing travel purchase decisions, Cohen (1972) believed that the budget traveler's interests are economy-oriented. Mazanec, JA & Zins, AH (1994) believed that budget travelers are those who had medium incomes, but sought low-cost vacation. They are sensitive to price (Ryan, C, 1998). According to economic theory, which economic buyers take "rational" decisions primarily on the basis of price, and the theory holds that consumers consider their personal financial situations and determine what they can afford, and then shop around in the market to find the best deal (Callan R.J., 1998).

The past studies indicated that with the significant decline economy, and a mild recession, the disposable income of Asian households significantly declined, and consumers had to adjust their consumption patterns accordingly (Dimanche, F & Havitz, ME, 1994). It remains to be seen that at what level of income reduction Asian consumers will significantly change their consumption habits. Those leisure travelers with more modest incomes do become more price-sensitive and change their travel patterns during recessions (Krippendorf, J., 1991).

Schiffman, LG & Kanuk, LL (2000) further explained that consumers today want to be in charge – they want control. They believed that as consumers grow more and more accustomed to researching prices and purchasing online, they may not settle for the first quoted price, regardless of their current economic situation. In fact, some people view this as gamesmanship – comparing the price they received with their fellow travelers to see who did the best. Jonh Swarbrooke and Susan Horner (1999) also believed that consumer often sees link between the price charged and the product quality. Many hotels charge a high price, which is a reflection of special features of the product in term of facilities, design and service delivery.

IMPACT OF ECONOMIC UNCERTAINTIES ON PURCHASING BEHAVIOR

The economic position of the region has a direct effect on the level of demand. Though GDP per head has grown steadily in East Asia, the statistics in Table below indicated that expenditure may still be a major concerned of East Asian tourists, evidenced by the low growth rate of travel expenditure (Bangkok: TAT, 2004).

Expenditure Items	East Asia %Δ	Europe %Δ	The Americas %Δ
Accommodation			
2000	-2.3	+10.2	-6.2
2001	+7.1	+2.0	+1.1
2002	+1.2	+5.7	+4.7
2003	-2.6	-3.6	-2.3
2004	+5.3	+14.5	+7.3
Food&Beverage			
2000	+1.6	-0.9	+1.7
2001	- 2.8	+1.0	-11.6
2002	+4.9	+13.5	+7.3
2003	-0.5	+1.7	-3.1
2004	+5.2	+13.3	+6.6
Shopping			
2000	-5.2	+12.9	+11.9
2001	- 6.2	- 7.6	- 3.1
2002	-8.7	-1.9	-4.3
2003	+15.6	-4.7	-25.7
2004	+3.0	+19.2	+10.2

Source: TAT, Statistic Division: Year 2005, Domestic Tourism Statistics, Statistics of Tourist Arrivals in Bangkok from 2002 – 2004.

The reason for the low growth rate could be traced back to the time when regional economic deterioration was expressed in currency depreciations that began in Thailand in fall 1997 and quickly spread to Malaysia, Korea, and Indonesia (www.imf.org: 2000). Previous tourism studies identified that the currency exchange rate could be used to explain on consumer's purchasing power (Dimanche, F & Havitz, ME, 1994).

The Exchange rates exist as a measure of the value of one country's currency relative to another (www.currencytax.org: 2006). And the theory of Purchasing Power Parity (PPP) suggests that exchange rates are equivalent to the ratio of two countries' price levels. The theory suggests that exchange rates act in such a way as to counteract changes in the price levels between countries so as to equilibrate the purchasing power of the currencies over goods. The differences exchange-rates based estimates (World Bank Atlas method) reflect mainly differences in relative price levels, as measured by the ratio of PPP to exchange rates (www.reference.com: 2006). In general, relative prices are much lower in low-income countries than in high-income countries (www.econ.yale.edu: 2005)

Following the theory, the purchasing power of most East Asian tourists was affected by weakened exchange rates against the dollar. The cost of internationally goods and services has increased, due to local currency devaluation against the U.S. dollar (www.opecfund.org: 2001). Thailand's tourism industry faced a big challenge when several major tourism source countries such as Indonesia, Malaysia, Japan, and the Philippines were hit hard by the financial crisis from mid-1997 (www.rphrm.curtin.edu.au: 2000)

According to the Tourism Authority of Thailand (2004), about 56.11 % percent of international tourist arrivals to Thailand at Bangkok international Airport were from East Asia countries. With the economic problems in these countries, tourist arrivals declined substantially. For example, compared with 1997, tourist arrivals to Thailand at Bangkok International Airport from Indonesia, Korea, Malaysia, the Philippines, Japan in 1998 dropped by 64 % ,71.98 % , 10.50 % , 3.53 % , and -8.11 % , respectively. In contrast, tourist arrivals from Europe, the Americas and Australia increased significantly in 1998 by 17.05 %, 15.56 % and 10.34 % respectively. This was because they took the advantages of high rates on currency exchange (Bangkok: TAT, 2004).

Moreover, numerous studies were done to reveal a wide array of factors that affect purchasing behavior. According to the theory of Individual Demand Function, each individual has a preference function and income or budget (Sheth, JN; Newman, BI & Gross, BL, 1990). They are presumed to maximize their utility subject to a set of relative prices, their preferences and income. Any change in prices, relative prices, income or preferences may alter the individual's behavior (Schiffman, LG & Kanuk, LL, 2000). In the following section, income has been cited as the most important variable that provided the greatest explanatory power (See table below).

Region	Income category	GNI per capita
Australia	High income	26,900
Belgium	High income	31,030
Brazil	Lower middle income	3,090
Canada	High income	28,390
China	Lower middle income	1,290
Denmark	High	40,650
France	High income	30,090
Germany	High income	30,120
Hong Kong	High income	26,810
Indonesia	Lower middle income	1,140
Italy	High income	26,120
Japan	High income	37,180
Korea	High income	13,980
Malaysia	Upper middle income	4,650
Netherlands	High income	31,700
New Zealand	High income	20,310
Norway	High income	52,030
Singapore	High income	24,220
Spain	High income	21,210
Sweden	High income	35,770
Switzerland	High income	48,230
Taiwan, China	High income	14,630
United Arab Emirates	High income	18,060
United Kingdom	High income	33,940
United States	High income	41,400
Vietnam	Low income	550

Source: www.worldbank.org: 2005

Following the income category, the tourists from countries with high income would prefer to stay in high rate hotels whereas expenditure on accommodation might still be a major concern of the tourists from East Asia. This is evidenced by the high rate of tourists staying at the hotels in group 2, 3 and 4 (Bangkok: TAT, 2004). The use of high price accommodation was not always the tourist's primary choice.

Nationality	Group1	Group 2	Group 3	Group 4	Group 5
East Asia	**52.36 %**	**26.01 %**	**10.60 %**	**10.58 %**	**1.42 %**
Malaysia	51.59 %	19.64 %	14.17 %	13.87 %	7.32 %
Singapore	59.23 %	28.05 %	6.74 %	5.73 %	0.25 %
China	25.80 %	33.20 %	15.87 %	24.41 %	0.63 %
Hong Kong	67.06 %	20.44 %	8.65 %	3.77 %	0.09 %
Japan	61.61 %	15.49 %	11.12 %	11.01 %	0.76 %
Korean	55.61 %	26.68 %	8.69 %	8.57 %	0.44 %
Taiwan	45.60 %	38.6 %	8.88 %	6.71 %	0.51 %
Europe	**70.77 %**	**9.11 %**	**7.48 %**	**10.45 %**	**2.65 %**
Belgium	81.02 %	6.8 %	3.78 %	6.24 %	2.15 %
Denmark	70.60 %	8.77 %	8.98 %	11.04 %	1.59 %
France	61.38 %	10.65 %	8.38 %	14.87 %	5.76 %
Germany	70.83 %	8.02 %	8.72 %	10.42 %	2.02 %
Italy	70.00 %	11.33 %	7.56 %	9.69 %	1.74 %
U.K.	72.40 %	8.89 %	7.53 %	9.26 %	1.92 %
The Americas	**70.90 %**	**10.71 %**	**8.05 %**	**8.31 %**	**2.00 %**
U.S.A.	76.00 %	9.54 %	6.86 %	6.40 %	1.20 %
Canada	64.30 %	13.70 %	9.75 %	9.28 %	2.89 %

Source: TAT, Statistic Division: Year 2005, Domestic Tourism Statistics, Statistics of Tourist Arrivals in Bangkok in 2004.

- Group 1 : < 2500 Baht • Group 2 : 1500-2490 Baht • Group 3 : 1000-1490 Baht
- Group 4 : 500-999 Baht • Group 5 : >500 Baht

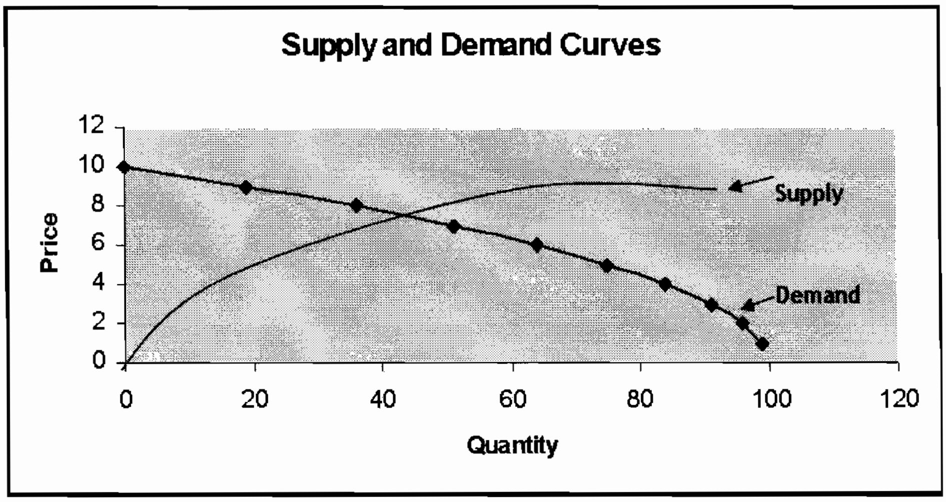
The consumption of different groups of hotel can be further illustrated in the term of economic theory. In economic theory, the consumer choice examines the trade-offs and decisions people make in their role as consumers as prices and their income changes (Baumol, W.J., 1977). Following the economic theory, inferior goods are defined as those goods that are being affected by changes in income, known as income effect. Since the price of inferior goods have increased and the consumer's nominal income has stayed constant, he can now buy fewer goods with his nominal income. The theory of Income Effect explains that the consumer will tend to increase his demand for inferior goods when the consumer's real income falls (www.amosweb.com: 2005). In other words, a consumer's demand of inferior goods would tend to rise in response to a rise in price. Hence, it can be said that when their incomes rise they decrease their consumption of inferior goods and move on to luxury goods, and similarly if their incomes fall they stop consuming whatever luxury goods they were consuming and shift consumption towards inferior goods (www. everything2.com: 2001)

THE INFLUENCE OF GAS PRICE FLUCTUATION ON LODING DEMAND

Specific circumstances often influence consumer behavior. According to the past studies, price hike contributed to the deterioration of the economic situation, and consequently to the corrosion of consumer' purchasing power (www.unescap.org: 1999). The current gasoline prices are likely to have a large impact on consumer spending but a much smaller impact on the amount of gasoline purchased. Instead, the effect is likely to be felt in other areas of spending (www.consumeraffairs.com: 2005).

Economists generally talk about the "price elasticity" of certain products and will often predict that a one percent drop in the price of a product will result in a, say, two percent increase consumption or "quantity demanded. (www.arnoldkling.com: 2004)

The idea of this declining consumption can be explained in terms of the traditional concepts of "supply" and "demand." (www.en.wikipedia.org: 2006)



Research by Dr. Gerard Tellis at the University of Southern California suggests that, for many branded products, the price elasticity is approximately -2.0. This means that when prices increase by one percent, the quantity demanded for the respective branded product will tend to decline by twice as much—two percent (www.arnoldkling.com: 2004). Some economists estimate that for every one cent increase in the price of gas, spending in other areas will decline by one billion dollars (www.energy.ca.gov: 2006). This figure does not appear to be based on recent empirical data, but it is clear that gasoline prices significantly affect consumer spending. Wal-Mart estimates that the current higher gasoline prices take away $7.00 per week from an average family budget. (www.city.palo-alto.ca: 2004).

According to the past research, Seven in ten said gas prices were causing a financial pinch (www.tcf.org: 2005). And that pressure was being felt increasingly by middle-income and higher-income families (www.ms-ds.com: 2005). Evidently, private consumption slowed down to 4.5 percent expansion in the first quarter of 2005, slower than 5.7 percent in 2004. This was due to rising inflationary pressure that increased from 2.8 percent in the first quarter to 3.6 percent in April and 3.7 percent in May 2005 and, in response, an upward adjustment in interest rate is expected (www.nesdb.go.th: 2005).

Consequently tourism is also being affected as transport costs rise further. Continuing high oil prices also affect tourist flows as the airlines' capacity to absorb such increase is significant lower (www.asiatraveltips.com: 2005).

The connection between increased gas prices and diminished room-nights was anticipated by the researchers. According to professors Kate Walsh, Cathy Enz, and Linda Canina, Cornell University (2000), a 1-percent increase in gasoline prices results in a 1.74-percent drop in rooms demand. To develop their analysis, the researchers examined monthly room-night data from 1988 through 2000 from the Smith Travel Research database, which compiles rate and occupancy data from 98 percent of U.S. hotels. The study analyzed room-night demand and gasoline prices over the study period. The researchers also factored gross domestic product into their analysis to control for the general effects of good or bad economic times and to help isolate the effects of gasoline prices (www.hospitalitynet.org: 2002). Their study confirmed the long-held belief that increases in gasoline prices would diminish lodging demand. It is obviously seen that oil price hikes has reduced disposable income from travelers' pockets.

IMPACT OF LOW COST CARRIERS ON HOTEL PURCHASING

The proliferation of budget carriers has generated a low-cost revolution in the world's travel industry. Originating in the United States, and successful in Europe, the low-cost airline model has created new demands for travel in Asia, attracting new customers which would otherwise not travel at all (www.the-infoshop.com: 2005). Low cost airlines are already changing the shape of travel and tourism in Asia. Marketshare's research revealed that 68% of respondents would travel more often due to the launch of Low Cost Carriers while 81% were planning to travel twice or more within a year up from 41% previously (www.asiatraveltips.com: 2004). Marketshare also found the most popular destinations that consumers would travel to with Low Cost Carriers were Bangkok (63%), followed by Hong Kong (48%), Kuala Lumpur (44%), and Phuket (43%).

With the financial crisis in full force, Roger Smith, director of marketing and distribution for Accor group believed that companies in Asia have started to focus on every cent they are spending, including travel expense on accommodation (www.cfoasia.com: 1999). Low-cost airlines have flagged up the issue of fares and rates to such an extent that business travelers and their companies are far more price conscious than they used to be, leading to a growing demand for budget, no-frills hotels (www.asiatraveltips.com: 2004). According to Gerald Petitt (2003), the business traveler is changing in what he wants. First is location and second is price; things like concierges fell way down the list (www.asiatraveltips.com: 2004). With the economic slump, business travelers have become more price-sensitive.

With the rapid increase in low-cost air carriers flying to Bangkok, Thailand's domestic and regional market grow rapidly. These air trends are affecting hotel occupancies (www.home3.americanexpress.com: 2004). Low-cost carriers will also open up a market for budget hotels, and have some impact on the high-end hotel market. According to Duncan Jamieson, Dusit Hotels & Resorts' vice-president for development, there are currently not enough three-star accommodation options at destinations served by low-cost carriers, hoteliers, therefore, needed to adapt to the changing environment and develop more low-cost accommodation (www.pata.org: 2006).

Mr. Jamieson, Accor Greater China CEO (2005), believed that low-cost carriers bought the potential on niche market (www.pata.org: 2006). He said that the hospitality industry had to recognize a definite and urgent need to expedite the proliferation of low-cost travel. He further demonstrated that budget hotels were not a real threat to four- and five-star properties as low-cost carriers and budget accommodation did not necessarily share the same market (www.pata.org: 2006).

CHAPTER 3

MEHODOLOGY

Primary data

Survey Methods

Part of the methodology for determining the demand for a budget hotel chain includes a survey of the international tourists to learn their interest. The survey is conducted as a substantial marketing research to understand hotel selection behavior. In this study, a face-to-face survey consists of 400 attributes are distributed to foreign tourists who are staying at hotel in Bangkok. The survey is conducted to foreign tourists by preparing interview sheets in English. Tourists are questioned individually in an interview lasting approximately fifteenth to twenty minutes. The survey is conducted from May to June in 2006. Foreign business travelers are also targeted as informants. This is because we would like to compare their attitudes and behavior by their preference of hotel. Two kinds of interview surveys, leisure and business travelers are conducted. Schedules, income, budgets, purposes, pre-trip information about choice of hotel and tourists attributes are asked before decision-making. Actual determinants affecting purchase decision, accommodation expenses, evaluation for overall satisfaction of the hotel they are staying at are checked and analyzed. New alternative choice on international budget hotel is being offered at the end of each interview sheet.

In order to show differences of attitudes between Asian and Non-Asian tourists, the followings survey is conducted. Adding to tourists' attributes such as nationality, age, income, exchange rate, degree of satisfaction for their accommodation, and services are investigated.

For accuracy, Yamane's model was used in calculation for sampling size. Following the equation of

$$n = \frac{N}{1+Ne^2}$$

Where n is the sample size, N is the population size, and e is the error of sampling

The sample size (n) was being calculated from the statistics provided by Tourism Authority of Thailand (TAT) statistics division.

- Total number of international tourists arrived at hotel in Bangkok in 2004 is 9,907,832 visitors. .The average number of tourists per month is 825,656
- This study allows the error of sampling on 0.05 so; the sample size shows as follows

The sample size is

$$n = \frac{825,656}{1 + 825,656\,(0.05)^2}$$

$$\mathbf{n = 399.8}$$

The survey consist of 400 attributes were conducted by international tourists who had paid for a room rate ranging from 500 to 12,000 Baht in Bangkok.

Secondary data

Assumptions of Analysis

In this study, according to a tourism marketing theory (Kotler, P. *et al*, 2003), the paper is to estimate relationship between consumers' values related to purchase behaviors and consumer satisfaction. This is because it is necessary to understand what kind of consumer satisfaction would motivate to increase consumers' value in order to achieve consumer's wants and needs. Here, consumers' values related to hotel selection are assumed such indices as purposes, budget and/or expense, duration of stay, expected benefits, loyalties of consumer behavior and so on. Structural survey are applied in order to evaluate overall consumer behavior and to estimate relationship among economic behavior, purchase choice and degree of satisfaction..

CHAPTER 4

FINDINGS

Given the importance of hotel industry and the changing habits of its consumers, Consumers are asked a series of questions about their travel habits including travel frequency, influences in selecting a hotel, preferred booking method, influences for travel purchase decision and online purchases.

The following demographics and psychographics of international visitors are compiled from a sample of 400 surveys, conducted from May to July 2006. This study is done in four areas of Bangkok: Siam Discovery, Temple of the Emerald Buddha, Central World Plaza, and Suan Lumpini Night Plaza.

PART 1: SOCIAL DEMOGRAPHIC OF SURVEY RESPONDENTS WHO STAYED AT HOTEL ESTABLISHED IN BANGKOK

Demographic Characteristic	No. of survey respondents	Percent
Gender		
Male	216	54.00
Female	184	46.00
Total	***400***	***100.00***
Age		
18 - 24 years 1	96	24.00
25-34 years 2	132	33.00
35-54 years 3	144	36.00
55+ years 4	28	7.00
Total	***400***	***100.00***
Marital Status		
Married	168	42.00
Single	205	51.25
Widowed / Separated / Divorced	27	6.75
Total	***400***	***100.00***

Table 10: (continue)

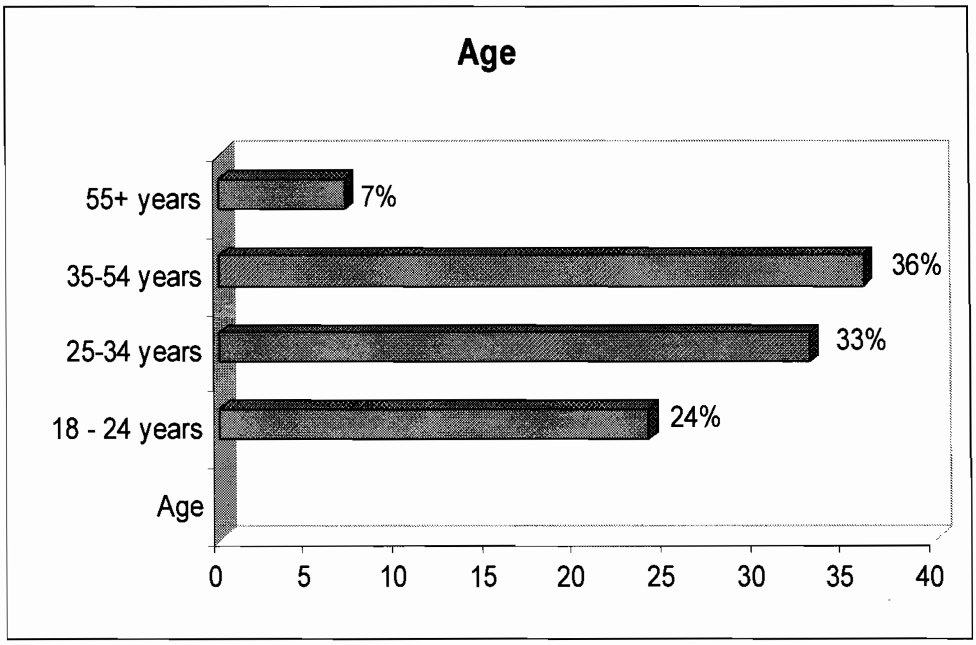
Demographic Characteristic	No. of survey respondents	Percent
Place of residence		
Asia	217	54.25
Australia / New Zealand	36	9.00
Europe and the U.K.	83	20.75
America	64	16.00
Total	***400***	***100.00***
Approximate monthly salary		
$ 500 or less	28	7.00
$ 501- $ 1000	40	10.00
$ 1001- $ 1500	40	10.00
$ 1501 - $ 2000	56	14.00
$ 2001 - $2500	72	18.00
$ 2501 - $3000	80	20.00
$ 3001 - $3500	28	7.00
$ 3501 - $4000	35	8.75
Above $ 4000	21	5.25
Total	***400***	***100.00***

In this section of the report, a profile of the demographics is presented. The demographics include age, gender, distribution, marital status, place of residence and family income.

1.1 AGE

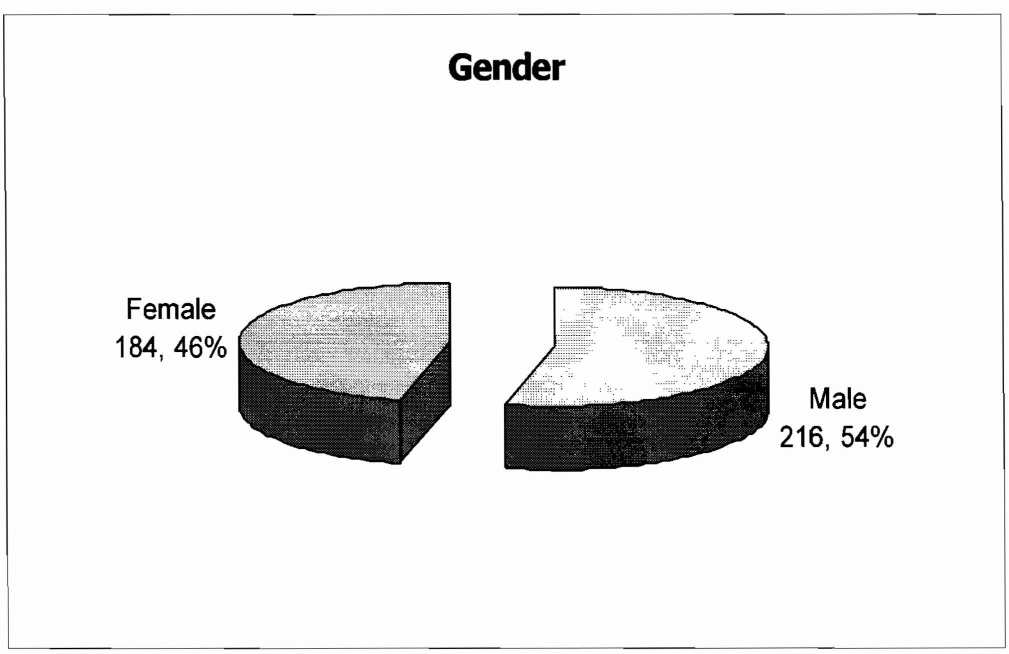
Several questions in the survey concern general demographics, starting with question 1, which asks "How old are you?" There are five possible answers, including

'18-24', '25-34', '35-54', and '55+'. In the survey, the largest share of respondents belongs to the '25-34' and '34-54' age groups, accounted for 33% and 36% respectively.



1.2 GENDER

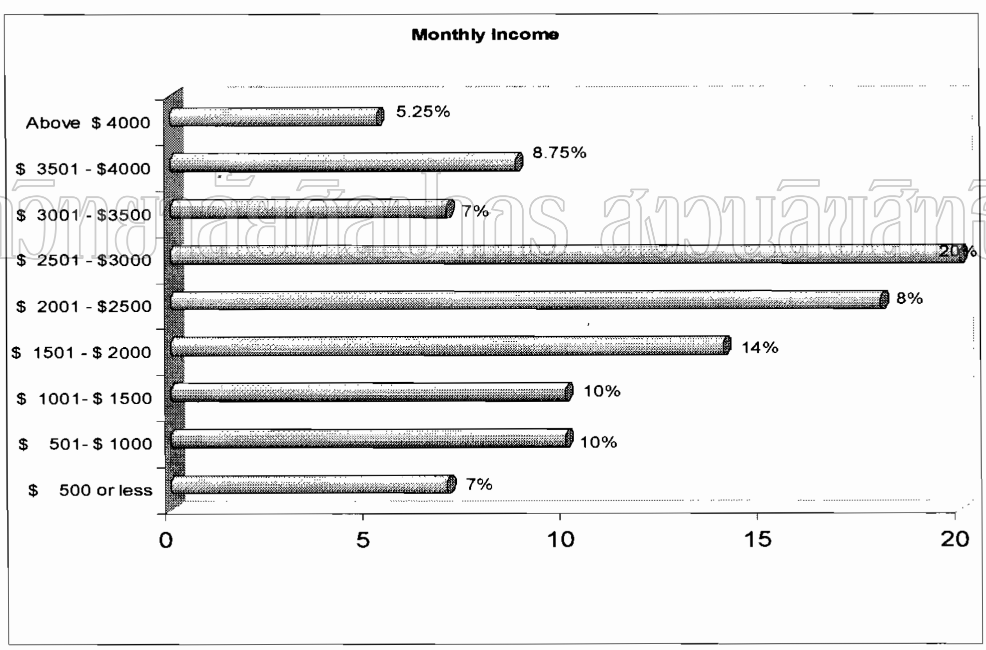
The second question on demographics concerns the respondents' gender. Fifty-four percent of the respondents are male and the remaining 46 percent are female.



1.3 MONTHLY INCOME

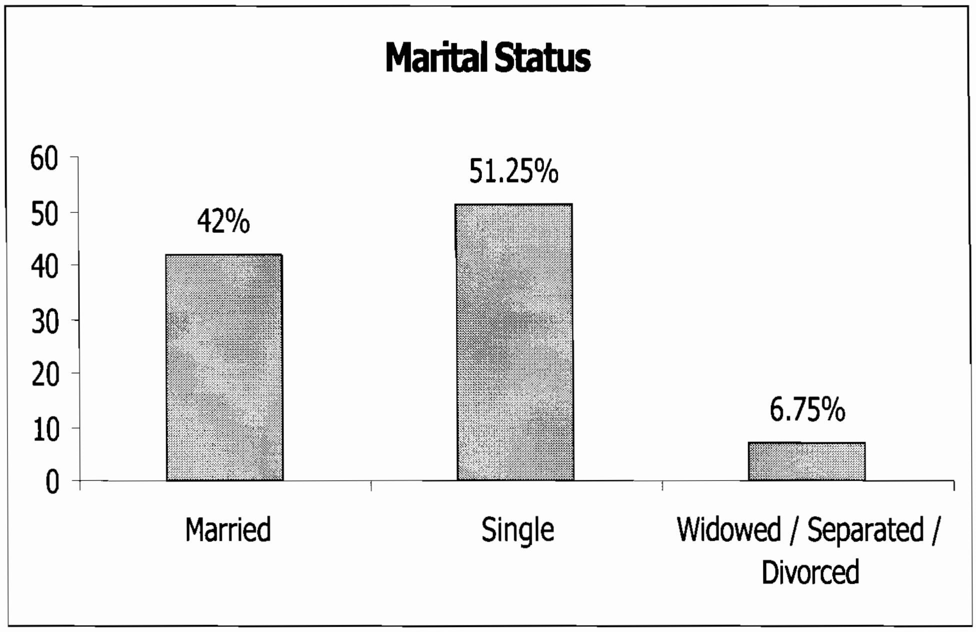
Of those reporting income, the result indicates a wide dispersion of income ranged with the income in the $ 500 or less to $ 4,000 or above range. Those households reporting an income between 1,501 to 3,000 represent 42 percent of the total, while households reporting between 501 to 1,500 comprise of 20 percent. The remaining 15.75 percent include those households reporting a $3001 to $ 4000 monthly household income.

The under $500 income level, accounted for 7 percent, is found to lie in the younger respondents who are, particularly, from Asia. There is a significant group (5.25 percent) who reports income above $4,000. This group is primarily in the business side of industry.



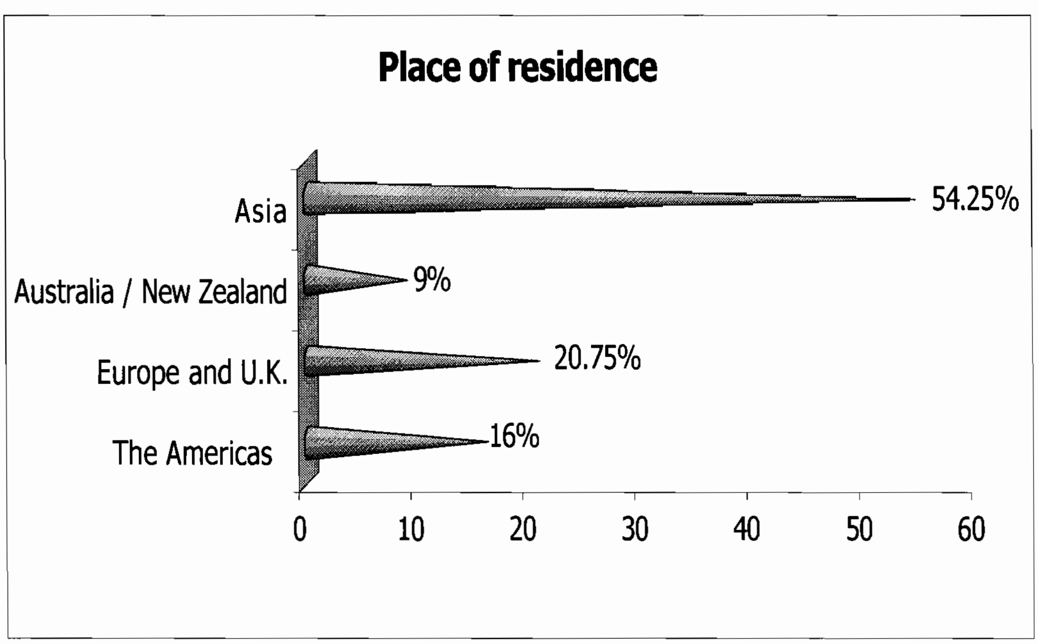
1.4 MARITAL STATUS

Overall, fifty-one percent of all respondents report they are single at the time of survey, and fifty-one percent of respondents report they are married. A small percentage of 6.75 reports they are being divorced, separated, or widowed.



1.5 PLACE OF RESIDENCE

There are 400 total respondents with, as expected, the majority from Asia (217 respondents). Europe is next with 83 respondents, of which 58 are from Western Europe and 25 from Eastern Europe. There are seven Canadian respondents, and 57 from U.S. All survey respondents are included in the accompanying graph.



PART 2: TRAVEL BEHAVIOR PROFILES OF SURVEY RESPONDENT WHO STAY AT HOTEL ESTABLISHED IN BANGKOK

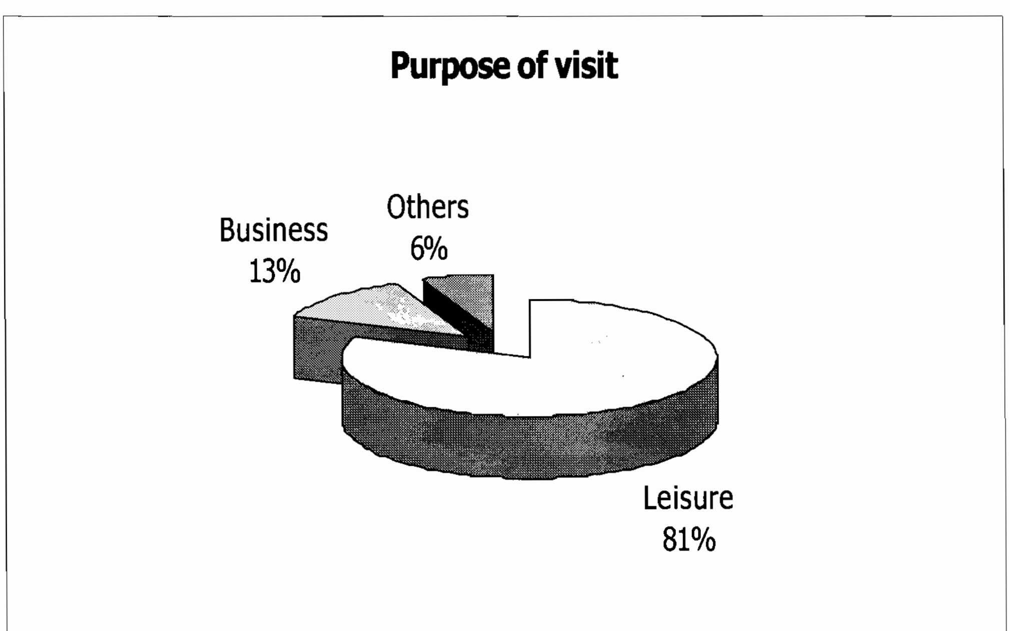
Table 11: Travel Behaviors Profiles

Travel Behavior	No. of survey respondents	Percent
Purpose of visit		
Leisure / Pleasure	324	81.00
Business	52	13.00
Others	24	6.00
Total	***400***	***100.00***
Travel Party		
Alone	62	15.50
Family	139	34.75
Spouse / Partner	75	18.75
Friends	93	23.25
Others	31	7.75
Total	***400***	***100.00***
Length of Stay in Bangkok		
1-3 nights	184	46.00
4-6 nights	109	27.25
7-9 nights	45	11.25
10-12 nights	23	5.75
13-15 nights	21	5.25
16-18 nights	18	4.50
Total	***400***	***100.00***
Type of Accommodation		
Five Stars Hotel	13	3.25
Four Stars Hotel	51	12.75
Three Stars Hotel	165	41.25
Two Stars Hotel	67	16.75
One Star Hotel	40	10.00
Guesthouse	64	16.00
Total	***400***	***100.00***

Room Rate Per Night		
500 or less	32	8.00
501-1,000	58	14.5
1,001-2,000	64	16.00
2,001-3,000	62	15.50
3,001-4,000	100	25.00
4,001-5,000	20	5.00
5,001-6,000	21	5.25
6,001-7,000	30	7.50
7,001-8,000	8	2.00
8,001-9,000	2	0.50
9,001-10,000	1	0.25
Above 10,000	2	0.50
Total	***400***	***100.00***

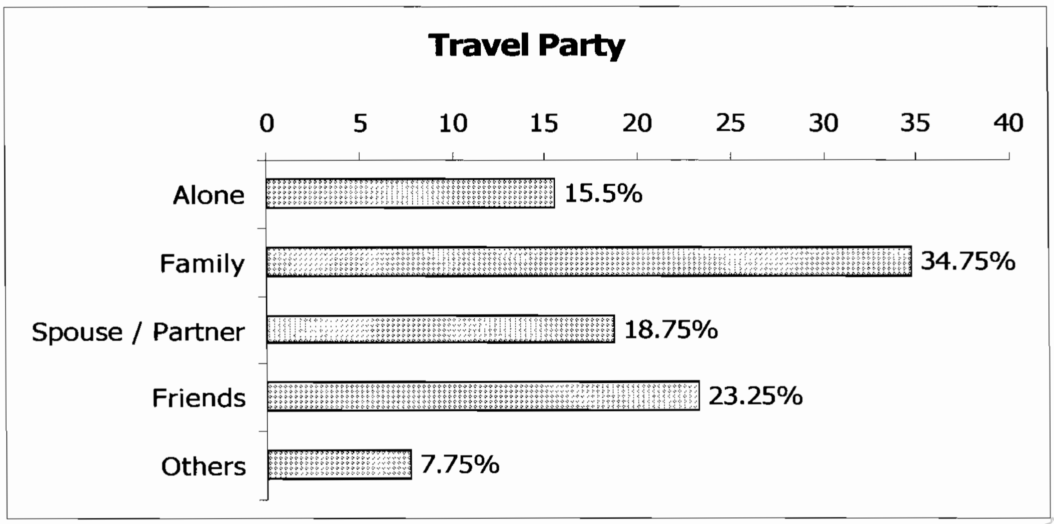
2.1 PURPOSE OF THE VISIT

Eighty-one percent of the survey respondents report they come to Bangkok for leisure or holiday purpose, and 13 percent report that they are business travelers. The remaining 6 percent reported being in Bangkok for "other purposes."



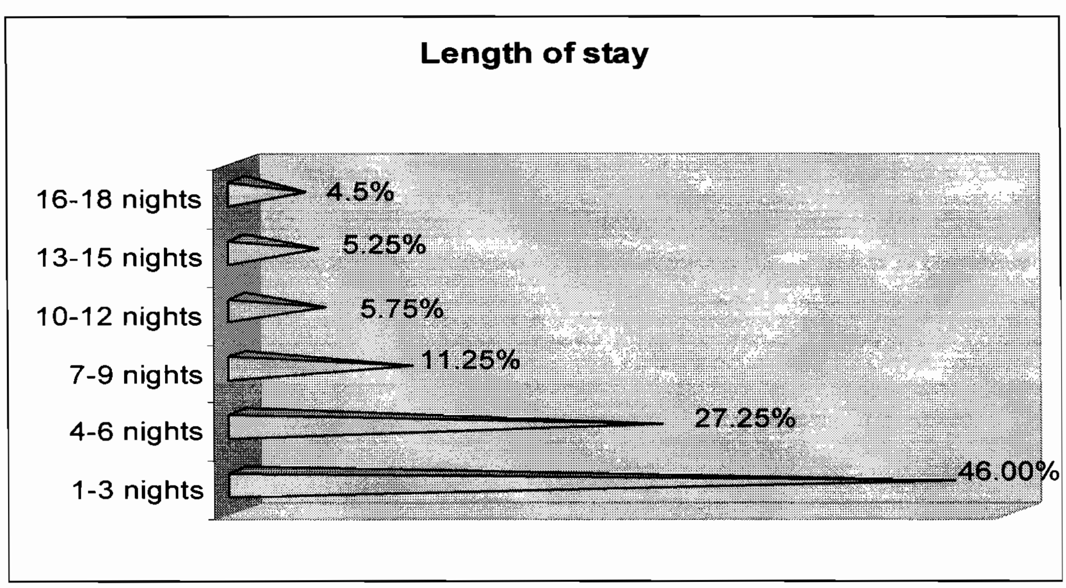
2.3 TRAVEL PARTY

The majority of the survey respondents are traveling with family; close to one-fourth (23.25 percent) are traveling with friends; 18.75 percent are with either spouse or partner, and 15.50 percent are traveling alone. The remaining 7.75 percent report that they are traveling in an organized group.



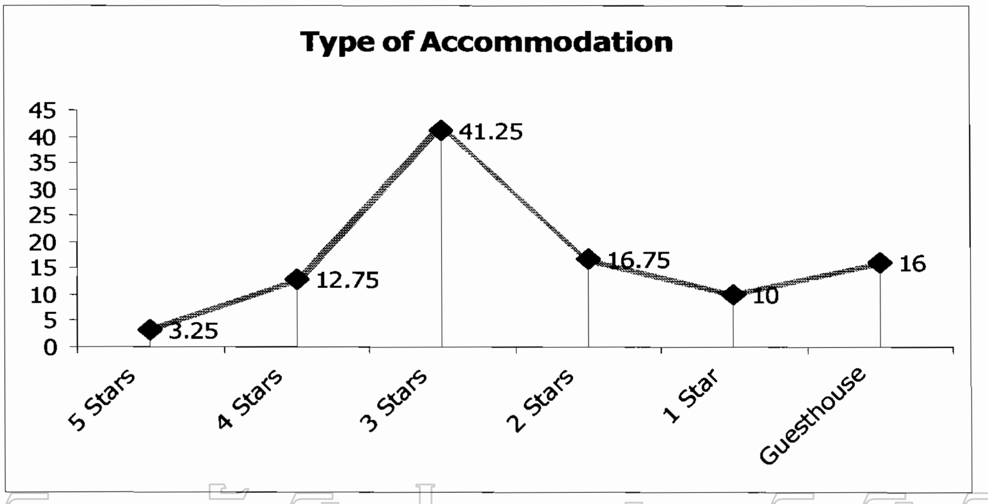
2.4 LENGTH OF STAY

The average length of stay of all respondents to Bangkok is six nights. Holidaymakers stay on average six nights whilst business travelers and other travelers spend four and five nights in Bangkok respectively.

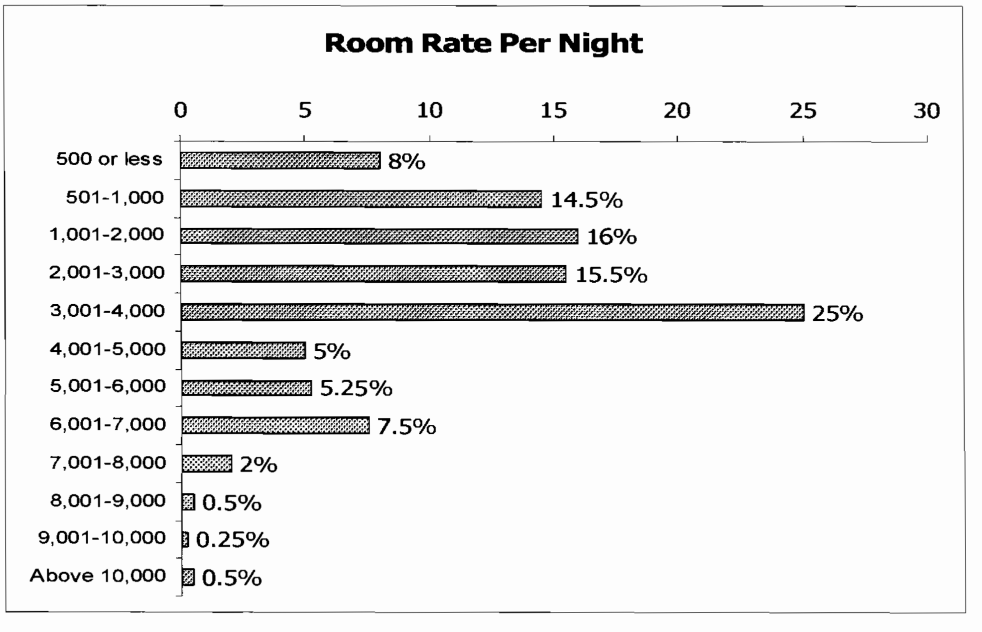


2.5 TYPE OF ACCOMMODATION

Eighty-four percent of the survey respondents are staying in hotel, and 16 percent are staying in guest house accommodation. The most popular form of hotel accommodation appears to be the 3 stars level hotel. With 2 stars being the next popular with 20 percent, then 4 stars with 15 percent, one star with 12 percent, and finally 5 stars with 4 percent of the survey respondents who stay in hotel.



2.6 ROOM RATE PER NIGHT

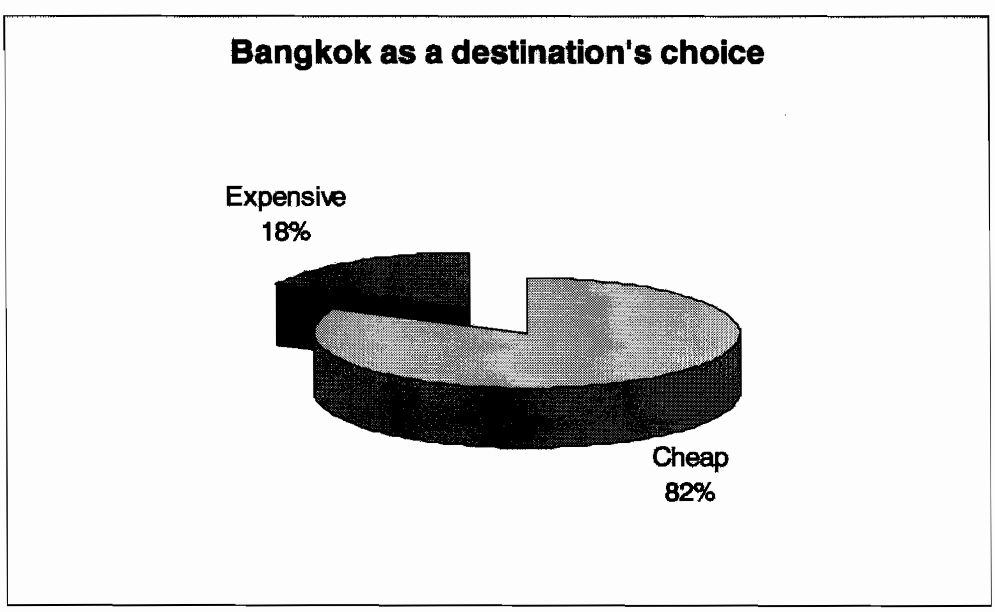


PART 3: THE ANALYSIS OF TRAVELER BEHAVIOR

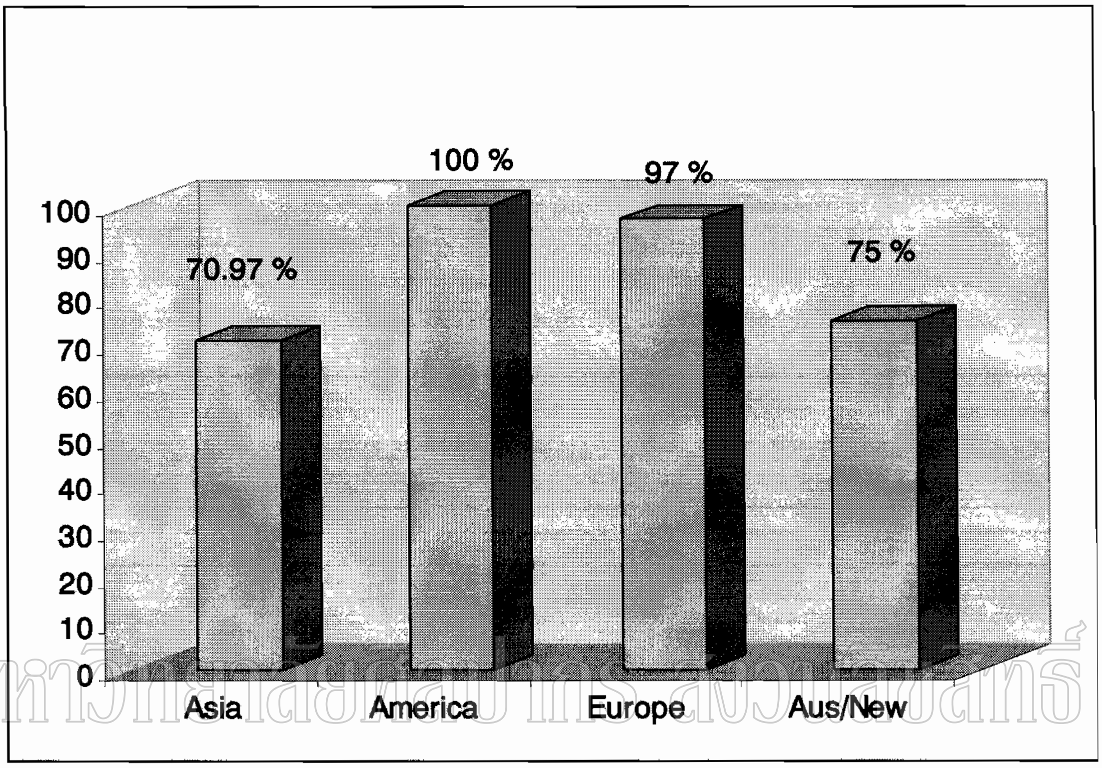
3.1 INFLATION AND EXCHANGE RATES AS A FACTOR

This research shows that exchange rates between the currencies of the country of destination and the country of origin are critical in defining spending power while on holiday. The result shows that the effects of inflation and exchange rates work relatively to purchasing power, evidenced when the survey respondents from Europe, America, and the UK have gotten more Thai Baht for exchanges than those Asian travelers have. Despite a rise in U.S. inflation rate, that leisure and business respondents from Europe are not concerned about the rising rate of inflation.

According to the result, it is significant to find that almost three-quarters of respondents feel that prices of goods and product in Bangkok are actually lower than that of their own country. Most tourists from Europe, the U.K., America, Australia and New Zealand feel that Bangkok has become a cheaper destination for them. However, there is a significant number of Asian tourists who feel that prices are not as cheap as being felt by the Europeans and the Americans, but the prices are somehow acceptable. The table below represents the percentage of those survey respondents who feel that prices of product and service in Bangkok are lower compared to those in their own country.



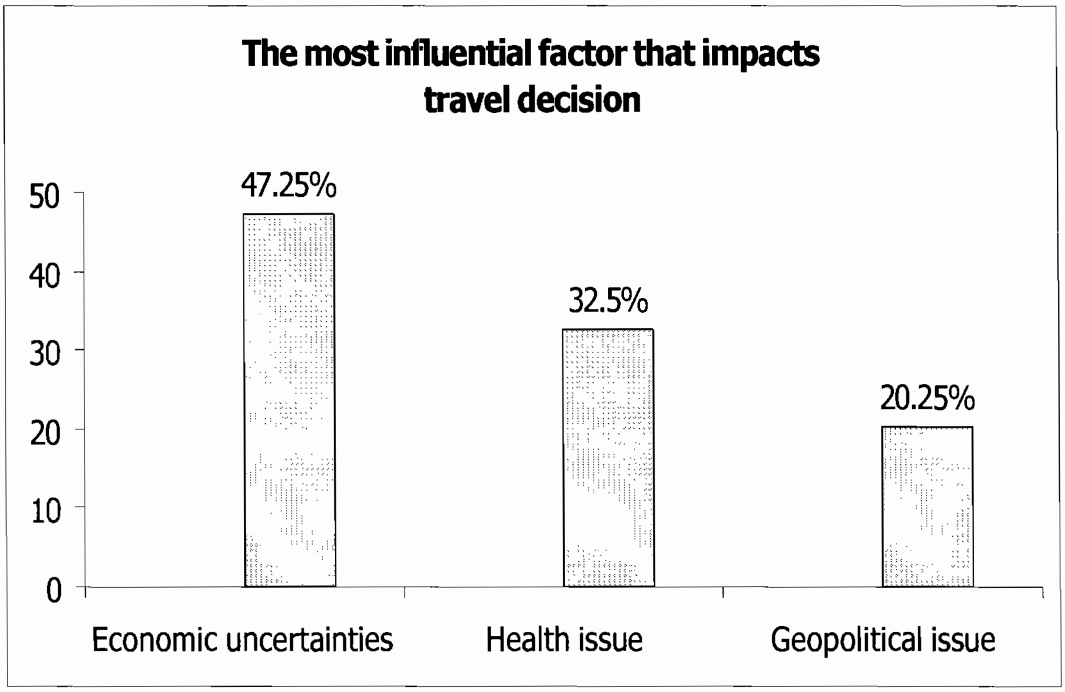
The percentage of the respondents who feel the prices of product and service in Bangkok are lower compared to their own country



3.2 ECONOMIC UNCERTAINITES AS A FACTOR

The survey finding indicates that the economy is having a greater impact on travelers than are geopolitical or health issues. According to the survey, leisure travelers are being most impacted, followed by business and commercial travelers. For instance, when asked which factors will have the most impact on their travel plans over the next six months, approximately 47 percent of respondents select the economy, versus 32 percent who select geopolitical issues and 20 percent who select health issues, including SARS.

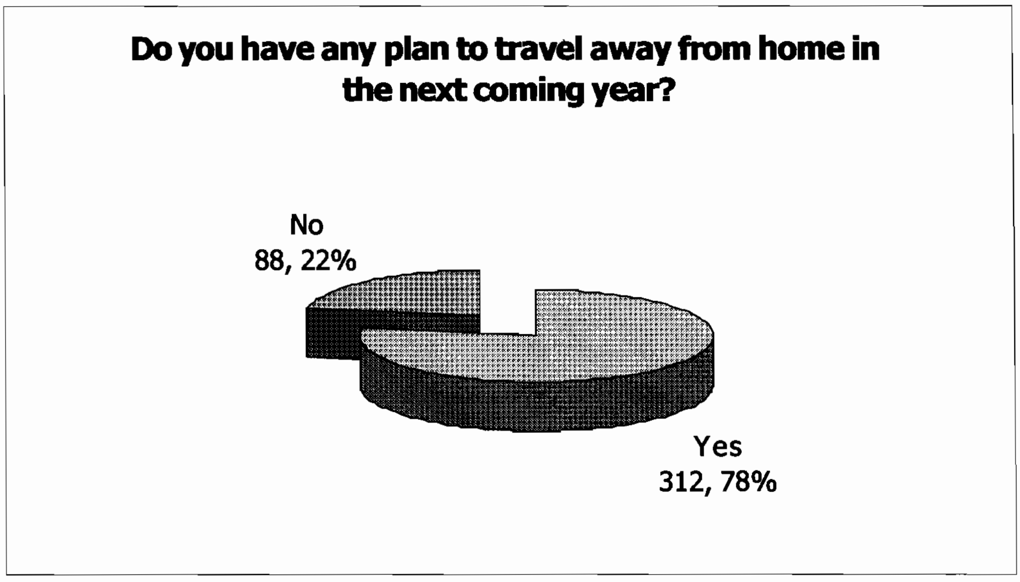
<u>Proportion of the respondents who selected either one of economic uncertainties, health, or geographical issues as the most being impacted on their travel decision</u>



Types of traveler	Economic uncertainties	Health issue	Geopolitical issue	Total respondents
Leisure traveler	156	103	65	324
Business traveler	23	21	8	52
Other travelers	10	6	8	24
Total	***189***	***130***	***81***	***400***
Total in percentage	***47.25***	***32.50***	***20.25***	***100***

Despite economic uncertainties, the future intentions of travelers are even more optimistic, evidenced by the survey's finding that the majority of the survey respondents (78 percent) will have a plan on traveling away from their country for the holidays in the up-coming year. Overall, the result suggests that there will be a 20 percent increase in leisure trips.

Proportion of the respondents who planned on traveling away from their country for the holidays in the coming year

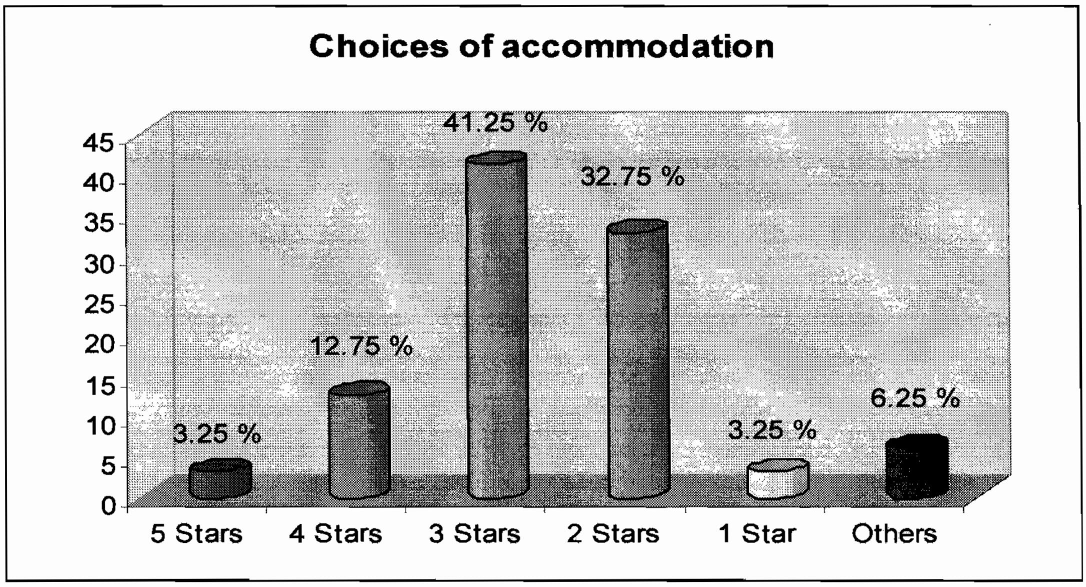


Type of traveler	Do you have any plan to travel away from home in the next coming year?		Total
	Yes	No	
Leisure traveler	257	67	324
Business traveler	37	15	52
Other travelers	18	6	24
Total	***312***	***88***	***400***

PART 4: THE ANALYSIS OF CONSUMER BEHAVIOR ON HOTEL PURCHASE

4.1 INCOME A FACTOR

The evidence from surveys of attitudes to spending patterns on accommodation in Bangkok has shown a strong association between spending patterns and monthly income. According to the result, people in the low to middle part of the income scale are less likely to stay in four and five stars hotel. Lower income respondents have more concerns than upper income groups over room rates. Thus, their choice over type of accommodation is likely moving toward three and two stars hotel or even lower. However, a majority of those survey respondents still choose three stars hotels as their preferred type of accommodation. The tables below show how preferred choice of accommodation works relatively with monthly income.



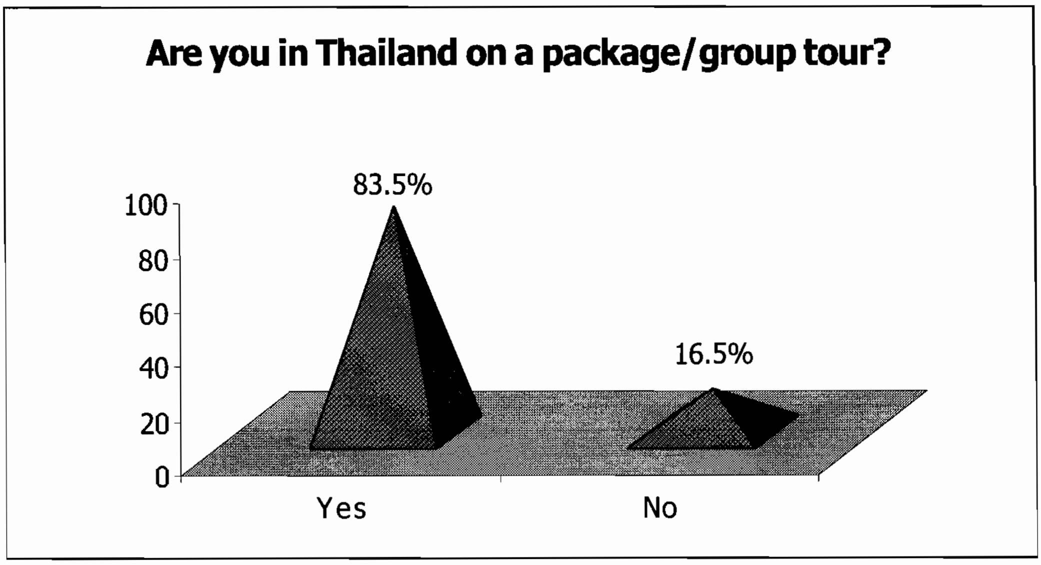
Room rate (Baht)	Income (U.S. Dollar)								
	>500	500-1000	1001-1500	1501 – 2000	2001 - 2500	2501 - 3000	3001 - 3500	3501 - 4000	< 4000
Less than 500	20	5	7	-	-	-	-	-	-
501-1000	7	26	10	13	2	-	-	-	-
1001-2000	1	7	12	12	22	10	-	-	-
2001-3000	-	-	-	17	27	8	-	-	-
3001- 4000	-	-	-	14	21	60	2	-	-
4001- 5000	-	-	-	-	-	1	9	7	3
5001- 6000	-	-	-	-	-	-	7	8	6
6001- 7000	-	-	-	-	-	1	6	16	7
7001-8000	-	-	-	-	-	-	4	2	2
8001-9000	-	-	-	-	-	-	-	1	1
9001-10000	-	-	-	-	-	-	-	1	-
Above 10000	-	-	-	-	-	-	-	-	2

Further examination suggests that choices of accommodation work relatively with the resident country of the respondents. The results indicate that 92 percent, 81 percent, and 80 percent of survey tourists from Europe, Australia and New Zealand, and America respectively choose to stay at three stars hotel or higher, compared with only 34 percent of the tourists from Asian countries, except from Japan and Singapore where income levels are considerably high. The table below shows the types of accommodation selected by respondents from different regions.

Hotel/Country	5 Stars (%)	4 Stars (%)	3 Stars (%)	2 Stars (%)	1 Star (%)	Others (%)	Total(%)
Asia	0.46	4.15	29.03	52.53	4.15	9.68	100
America	7.81	21.88	50.00	15.63	3.13	1.57	100
Europe	8.43	24.10	59.04	4.08	0	3.61	100
Aus/New	-	22.22	58.33	8.33	5.33	5.33	100

4.2 PRICE AS A FACTOR

Yet, the survey indicates that price still remains as a major concern for travelers. A focus on cost and value makes sense for the six out of ten respondents (62.5 percent) who answer that the economy has negatively affected their travel budget. The survey also finds that economic optimism is not providing travelers with a reason to ignore cost-consciousness. Travelers will continue to bring their travel plans that can provide the best value on price. Clearly that getting the best deal is the highest priority for consumers when planning holiday trips, evidenced when more than 80 percent of the survey respondents are moving away from single standardized products, toward growing interest in package products. It is obviously seen that price-sensitivity for travelers, particularly leisure travelers, is a major challenge as a majority of the travelers are increasingly choosing packages based on price.

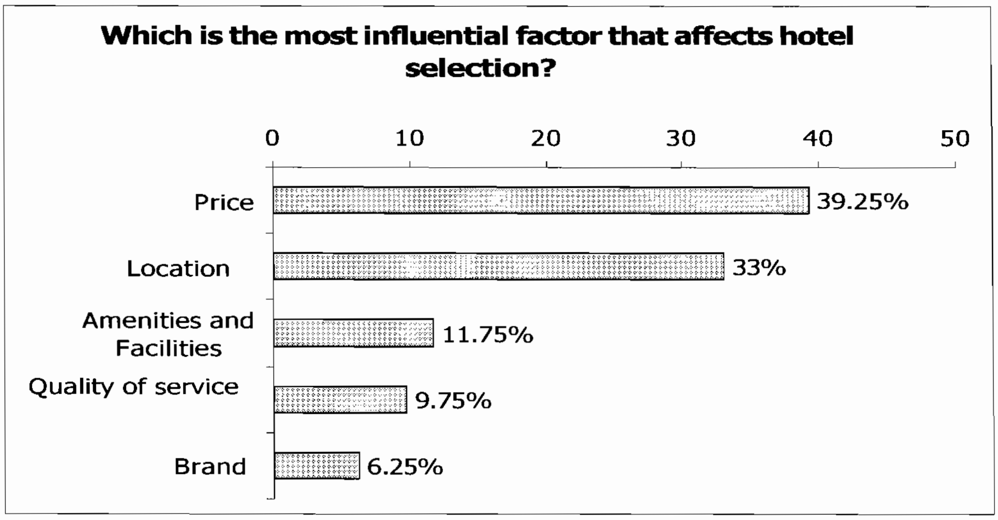


Type of travelers	Are you in Thailand on a package/group tour?		Total
	Yes	No	
Leisure	298	26	324
Business	17	35	52
Others	19	5	24
Total	*334*	*66*	*400*

More than 70 percent of the respondents rank a hotel's price and its proximity to activity as the top requirements in their choice of accommodation. Approximately 40 percent of survey respondents believe that they are sensitive to price the most. Price is followed by location, amenities and facilities, and service from staffs (cited by 39.25%, 33% and 11.75%, 9.75% respectively), and only 6.25 percent cite brand or reputation of the hotel as a criterion.

The survey also finds that business travelers' habits have changed as well. This study shows that business respondents identify price over service by a margin of three to two as the leading factor along with location in influencing their choice of hotel. Quality of service slips to be the second last considerable factor; with only 8 out of 52 respondents say that quality of service is critical requirements for choosing a hotel. This represents a significant shift in attitude and behavior from that found in the Tisch Center's 1999 survey of business travelers, who at that time said quality of hotel service was the leading factor in determining which hotel to book.

Proportion of the respondents who regarded one of the following factors as the most important issue in hotel selection

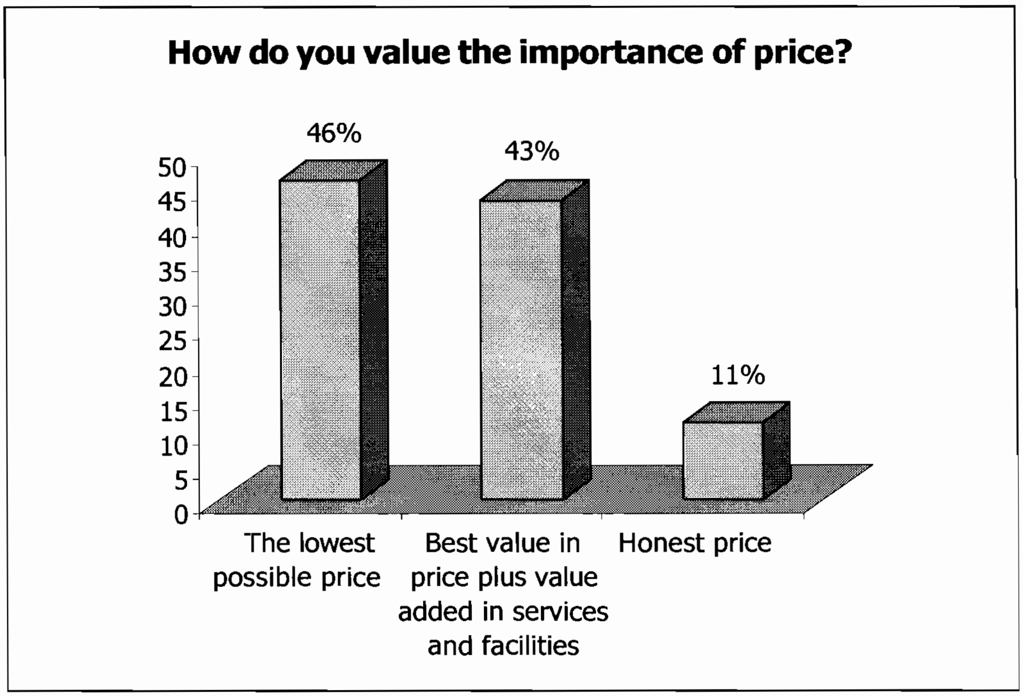


Type of traveler	Price	Location	Amenities and Facilities	Quality of service	Brand
Leisure	133	107	34	30	20
Business	12	17	10	8	5
Others	12	8	3	1	0
Total	***157***	***132***	***47***	***39***	***25***

Results from the survey also show that the majority of respondents decide how to book type of accommodation primarily based on price. They are looking to spend quality time with family and friends while making smart financial decisions to make it happen. The following chart shows how respondents value the importance of price when it comes to hotel purchase.

Proportion of the respondents who valued the importance of price in different areas

Area of price	No. of the respondents	Percentage
The lowest possible price	184	46
Best value in price plus value added in services and facilities	172	43
Honest price	44	11
Total	***400***	***100***



- 46 percent of respondents choose “finding the lowest prices” as their top priority for hotel arrangement.

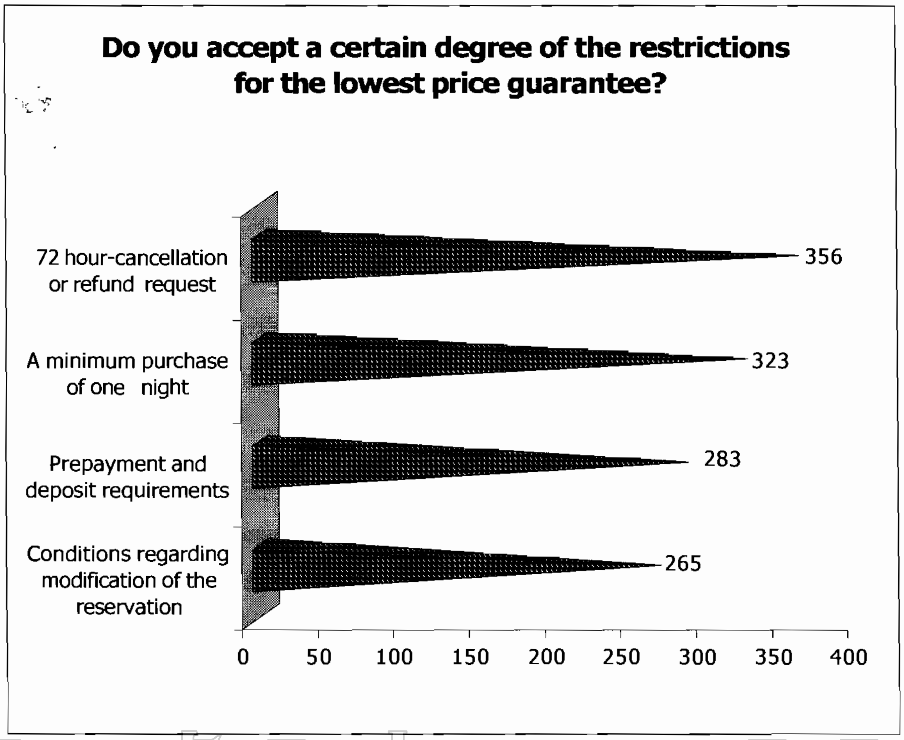
- Value—not just price—counts too, with 43 percent choosing “getting the most value out of my budget” as their top priority.

- Only 11% cite finding honest price as a concern.

Regarding price concerns, the survey also detects a guarantee of the lowest price for a hotel reservation is the most effective enticement to buy a hotel. That “Lowest Price Guarantees” may help improve room occupancy as, according to survey results, more than 80% of online bookers would have been much more likely to make a reservation if they were offered the lowest valuable price (up to 60% off rack rate)

And even more telling is that consumers are willing to accept a certain degree of restrictions, such as 72-hour cancellation notice or a request for prepayment in order to secure that lowest-priced room.

Proportion of the respondents who accepted a certain degree of restrictions for the lowest price guarantee



Restrictions	No. of Leisure travelers		No. of business travelers		No. of other travelers	
	Yes	No	Yes	No	Yes	No
72 hour-cancellation or refund request	304	20	34	18	18	6
A minimum purchase of one night	276	48	31	21	16	8
Prepayment and deposit requirements	246	78	28	24	9	15
Conditions regarding modification of the reservation	232	92	21	31	12	12

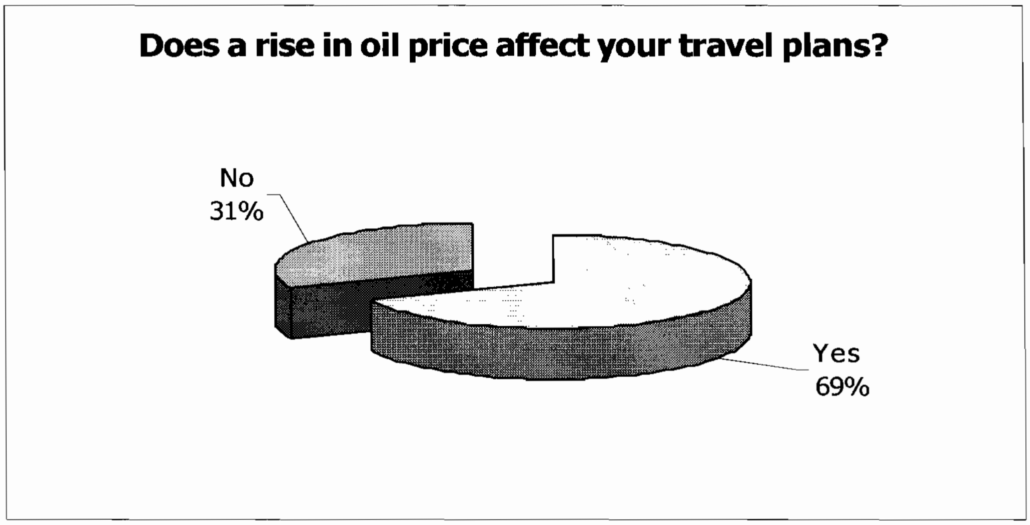
Summarized choice analysis results presented in Exhibit 2 show that business travelers assign relatively higher weighs to hotel location, price, and amenities then loyalty program options when choosing a hotel. Leisure travels assign even lower weights to loyalty program options with respect to the other hotel value drivers described above.

Reasons for Choosing a Hotel during this trip in Bangkok			
Reasons	**Leisure Travelers**	**Business Travelers**	**Other Travelers**
Nightly Room rate	39% (1^{st})	25% (2^{nd})	40%(1^{st})
Hotel location	15% (2^{nd})	28% (1^{st})	14%(2^{nd})
Quality of service	9% (4^{th})	7%	9%(5^{th})
Reputation of hotel/chain	9%(4^{th})	6%	8%(4^{th})
In-room/hotel amenities (e.g. toiletries, room décor, coffee maker, mini-bar, etc).	10% (3^{rd})	6%	11%(3^{rd})
In-room/hotel business services	4%	9% (3^{rd})	4%
Ability to make reservations via Internet	3%	2%	4%
Previous experience	5%	2%	4%
Recommendation of friends or associates	3%	2%	3%
Recommendation of travel agents	2%	5%	2%
Frequent hotel stay or airline points	1%	8% (4^{th})	1%

PART 5: THE ANANLYSIS OF CONSUMER BEHAVIOR WITH A RISE IN OIL PRICE AND LOW-COST CARRIERS

The rising cost of gasoline is likely to affect the travel plans of a majority of leisure travelers, according to the survey's result, about 69 percent of respondents agree that the ticket fuel surcharges recently announced by several airlines are likely to have a significant effect on their future plan; 31 percent say it will have no effect.

<u>Proportion of the respondents who felt being impacted by a rise in oil price</u>

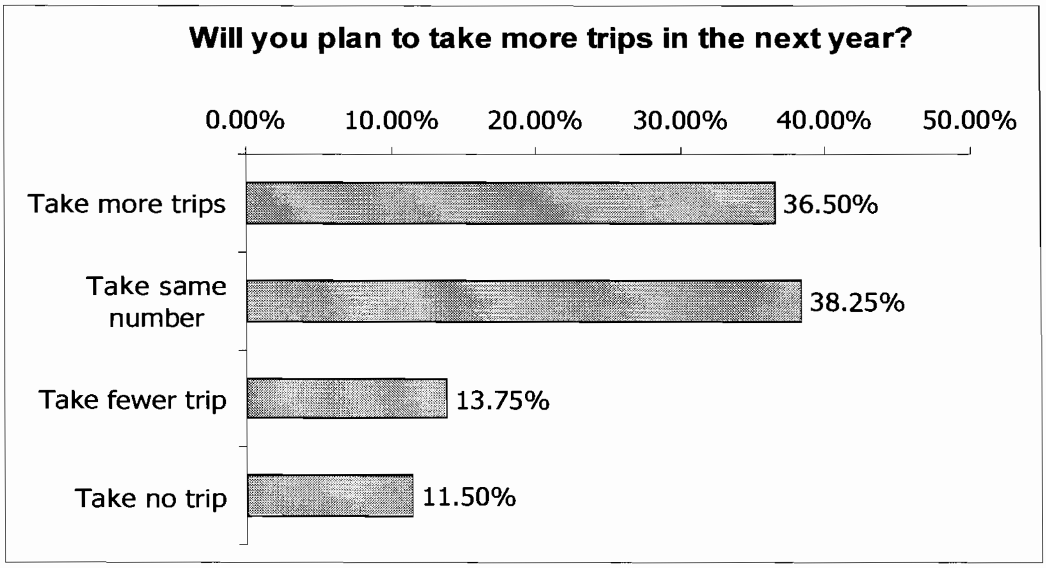


Type of travel	Does a rise in oil price affect your travel plans?		*Total*
	Yes	No	
Leisure	228	96	***324***
Business	30	22	***52***
Others	18	6	***24***
Total	***276***	***124***	***400***

Among the leisure respondents who feel being impacted by a rise in oil price, 36 percent say they will consider flying more trips on vacation. An additional 13 percent say they will take fewer trip next year. But in some encouraging news for the travel industry, only 12 percent say they will actually cancel their future trip. This will translate into a 6 percent increase in leisure trips taken by international tourists if the plans expressed by those surveyed actually come to fruition.

For business travelers, the economy is by far the major concern. 58 percent of the business respondents agree that the rising cost of gasoline will affect their business travel. 39 percent of business travelers say they will consider flying more trips on vacation. And only two in ten business travelers say that they will plan to take fewer trips in the year ahead.

<u>The future travel intentions of travelers are:</u>

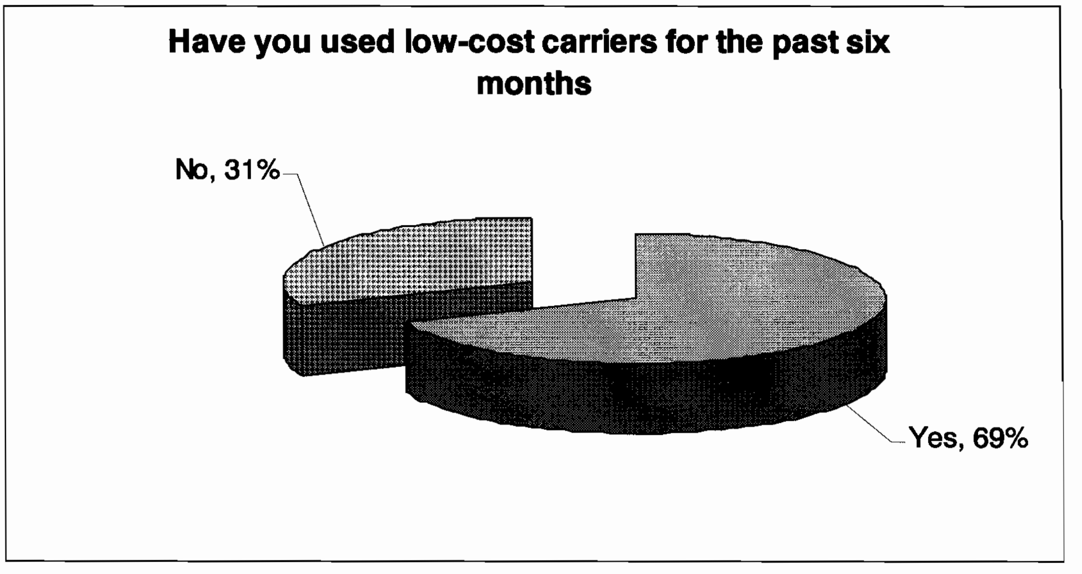


Future Travel intentions	Leisure Travelers (%)	Business Travelers (%)	Other Travelers (%)
Will take more trips than this year.	36	39	37
Will same number of trips as this year.	39	35	38
Will take fewer trips than this year.	13	20	14
Will take no trips in the next coming year.	12	6	12

The survey findings reflect a number of changes in business travel:

According to the survey, it is obviously seen that business travelers are migrating quickly toward hotels and air carriers that provide the best value. The majority also identify budgetary concerns as the most important factor in their business travel planning. A majority (69 percent) of the survey respondents say they have used low-cost carriers for their trips within the last six months.

Proportion of the respondents who had used low-cost carriers for their trips within the last six months.

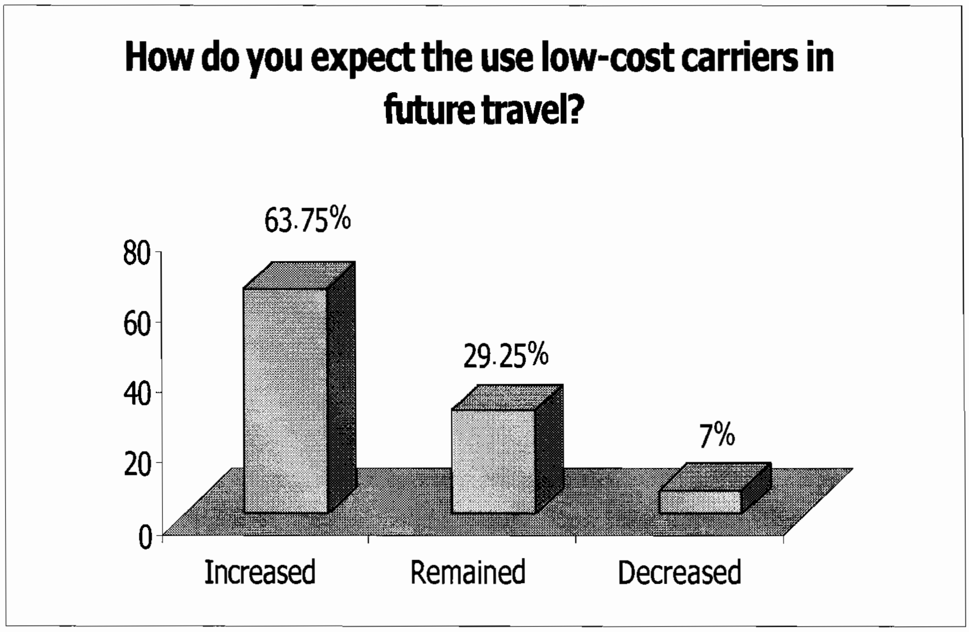


Type of travelers	Yes	Percent	No	Percent
Leisure	218	67.28	106	32.72
Business	41	78.85	11	21.15
Other	17	70.83	7	29.17

More than half (64 percent) of respondents will expect their use of low-cost air carriers to be increased in the next six months. The study also shows that while 77% "often" or "always" search for the lowest airfare, and 46% "often" or "always" search for the lowest room rate online.

Proportion of the respondents who expected either to increase, decrease or remain in the use low cost carriers in their future plans

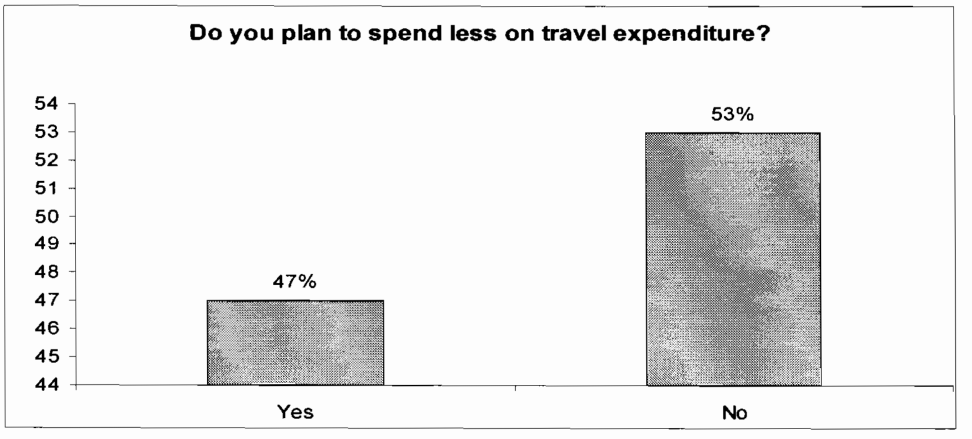
Volume in the use of low-cost carriers in future	No. of the respondents	Percentage
Increased	255	63.75
Remained	117	29.25
Decreased	28	7.00
Total	**400**	**100**



Volume in the use of low-cost carriers in future	No. of Leisure traveler	No. of business traveler	No. of others
Increased	204	36	15
Remained	98	11	8
Decreased	22	5	1
Total	**324**	**52**	**24**

With a rise in oil price, the survey result indicates that personal finances are of significant concern to tourists. 47 percent of the survey respondents are planning to spend less on travel expenditure this year than last year. The presence of children in the household increases consumers' cautious behavior, as 63 percent living in such households indicate that they are planning to spend less on travel expenditure (vs. 36 percent in households without kids).

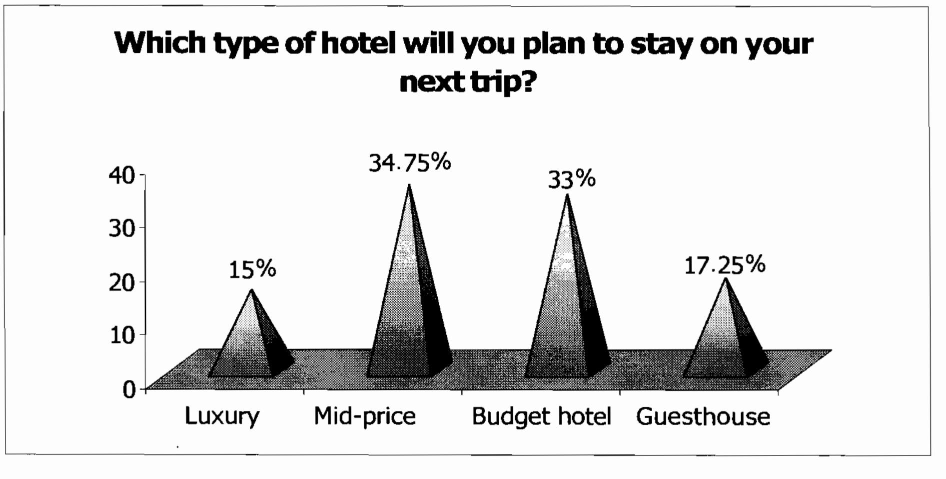
Proportion of the respondents who plan to spend less on travel expenditure



Travelers	Do you plan to spend less on travel expenditure?			
	Yes		No	
	No. of respondents	%	No. of respondents	%
Respondents with no Children	86	36	152	64
Respondents with Children	102	63	60	37

Respondents are also looking to increase savings with only 15 percent of those travelers say they will plan to use luxury hotels. The majority (35 percent) say they will stay at mid-range hotels, 33 percent indicate they will stay at budget hotels.

Proportion of the respondents who would stay in different categories of hotel in their future travel plans



Categories of hotel	No. of Leisure travelers	No. of business travelers	No. of others
Luxury	49	10	1
Mid-price	108	25	6
Budget hotel	102	17	13
Guesthouse	65	-	4
Total	***324***	***52***	***24***

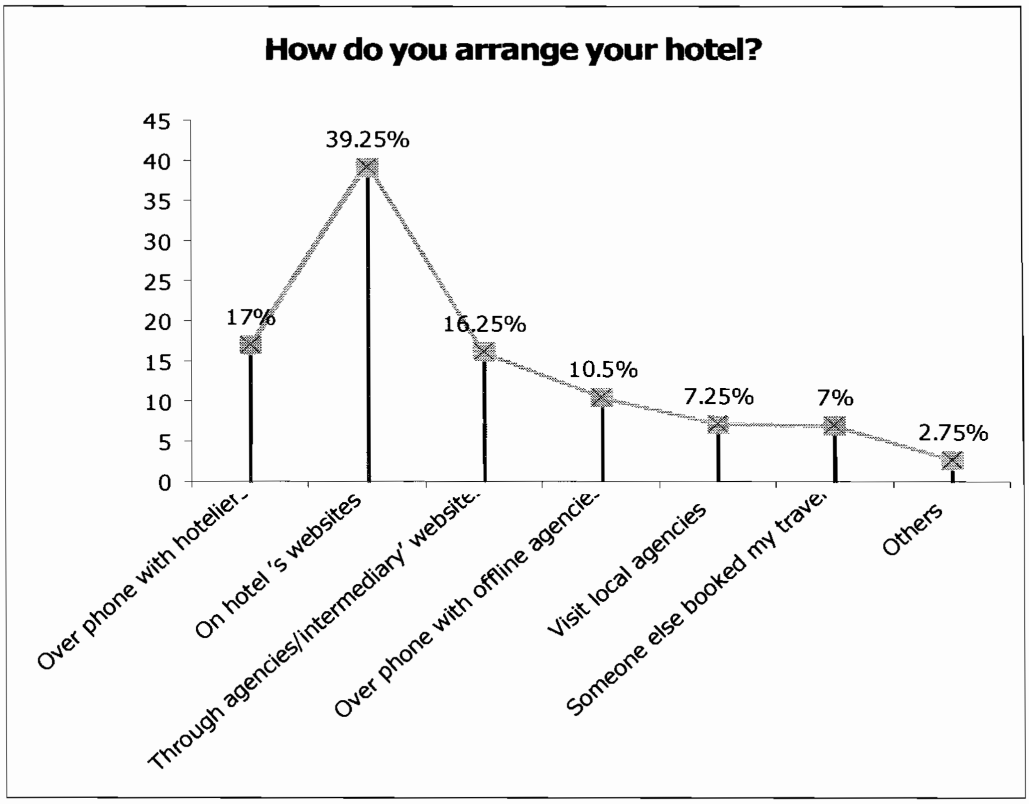
PART 6: THE ANALYSIS OF CONSUMER BEHAVIOR WITH THE INFLUENCE OF INTERNET

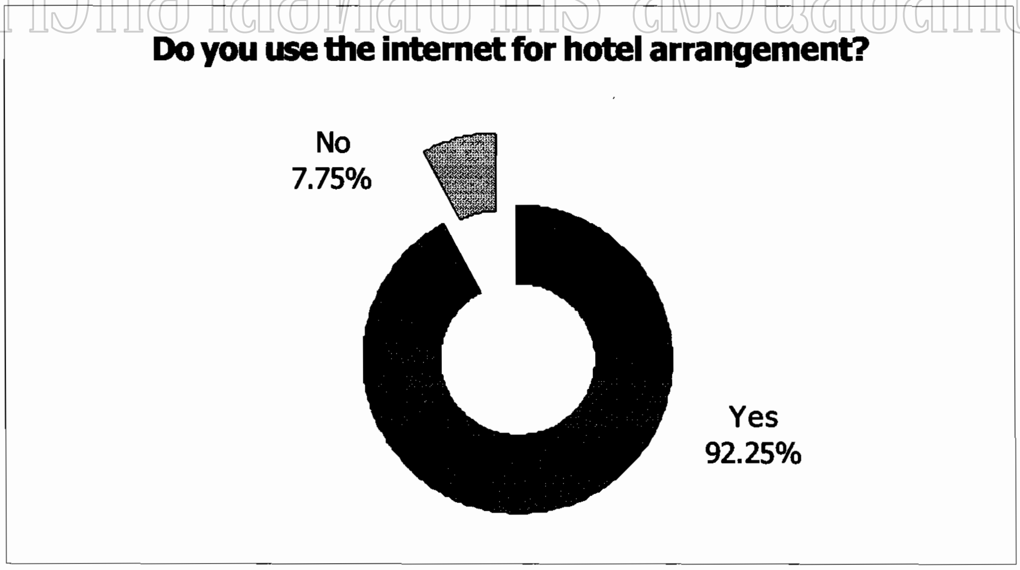
According to the survey, the Internet has become a primary source for travel planning, with half of survey respondents are likely to go online to prepare for their hotel shopping. The results show that internet is the most influential channel used to make travel purchase decisions with 55.5% of respondents indicating they make online reservation, and followed by phone reservation (27.50%).

Over half of leisure respondents (55.25 percent) actually make a reservation online, and half of business travelers use the internet as their primary means of arranging their hotel. Only 27% say their preferred booking method is by telephone with a live agent.

Proportion of the respondents categorized by methods of hotel booking

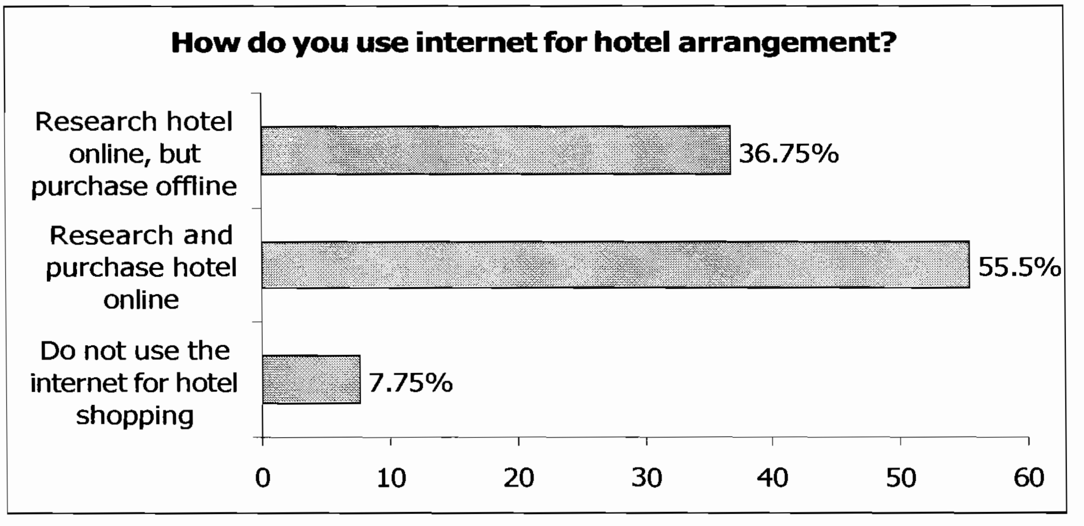
Methods of booking	No. of Leisure travelers	No. of business travelers	No. of other travelers
Over phone with hoteliers	59	7	2
On hotel 's websites	123	20	14
Through agencies / intermediary' websites	56	5	4
Over phone with offline agencies	37	4	1
Visit local agencies	24	3	2
Someone else booked my travel	15	12	1
Others	10	1	-
Total no. of respondents	***324***	***52***	***24***





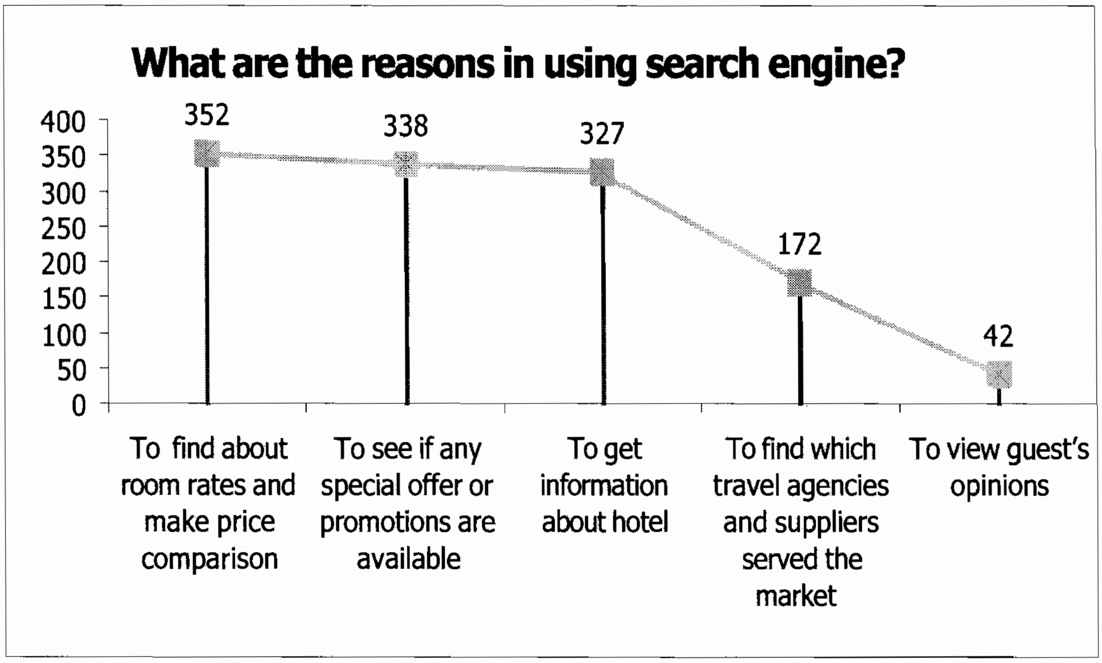
The survey finds that nearly 60 percent of the online respondents use the Internet to research hotel. Only 50 percent of those searching for information online actually make their purchases online. The other 50 percent look online, but book offline, due to privacy issues, security concerns, purchasing habits, or needed to speak with a live agent to finalize the travel booking, etc.

Proportion of the respondents who used internet for their hotel arrangement



Internet Users Trip planning	No. of leisure travelers	No. of business travelers	No. of others
Do not use the internet for hotel shopping	21	9	1
Research and purchase hotel online	179	25	18
Research hotel online, but purchase offline	124	18	5
Total	***324***	***52***	***24***

Despite the shift in preferred channels, price is still paramount to consumers booking online, with majority of consumers reporting this as an important consideration. Online consumers are bargain hunters. So what are consumers looking for when they conduct online hotel searches? They want a wide selection of brands and a diversity of rates offered by travel suppliers and agencies. The survey finds that a majority of online travelers use search engines to find pricing information and comparison. Based on these findings, hoteliers will be wise to advertise their best rates to attract those online travelers who sort lodging search results by price first.



Proportion of the respondents categorized by reasons in using search engines for hotel arrangement in the past six months

Reasons	No. of Leisure travelers	No. of business travelers	No. of others	*Total*
To find about room rates and make price comparison	295	38	19	*352*
To get information about hotel	270	35	22	*327*
To see if any special offer or promotions are available	286	39	13	*338*
To find which travel agencies and suppliers served the market	160	11	1	*172*
To view guest's opinions	38	3	1	*42*

Approximately 85 percent of online participants say that they are comfortable booking online and will do so in the future. They feel that the Internet is easier and faster to use for travel planning than a travel agent. They state that the web site feature that they value the most is "being able" to check the lowest valuable rates for hotels.

Among those using the Internet to make travel arrangements, satisfaction levels are high. Nearly 94 percent express those same levels of satisfaction about making lodging arrangements.

PART 7: THE ANALYSIS OF CONSUMER SATISFACTION AND PREFERENCE UPON HOTEL

7.1 SATISFACTION WITH EXISTING ACCOMMODATION

The survey shows average scores for each specific aspect of accommodation in Bangkok. Further examination suggests that levels of satisfaction amongst those who stay overnight in hotels and serviced-apartments are greatest, while those who stay in self-catering, hostels, and guesthouses are less satisfied overall. In fact, apparent throughout this section of the report has been a variation in satisfaction levels across key origins of visitors. The results indicate that visitors from America and Australia are most likely to be satisfied with accommodation in Bangkok. On the other hand, visitors from Europe, Singapore are last likely to be satisfied. For concrete analysis, the SPSS program is being used and the result indicates that tourists from different regions have different levels of satisfaction. This is particularly due to the differences in level of expectation. It is, thus, concluded that the levels of satisfaction and expectation on accommodation are varied according to places where the tourists come from.

ANOVA ANALYSIS

Attribute		Sum of Squares	df	Mean Square	F	Sig.
Residence	Between Groups	155.684	3	51.895	143.956	.000
	Within Groups	142.754	396	.360		
	Total	298.438	399			

If Sig. <0.05 , there is a significant level

Visitors in the 50+ age groups are generally most satisfied, possibly a reflection of their greater use in hotel with full services, rather than guesthouses or hotel with limited service.

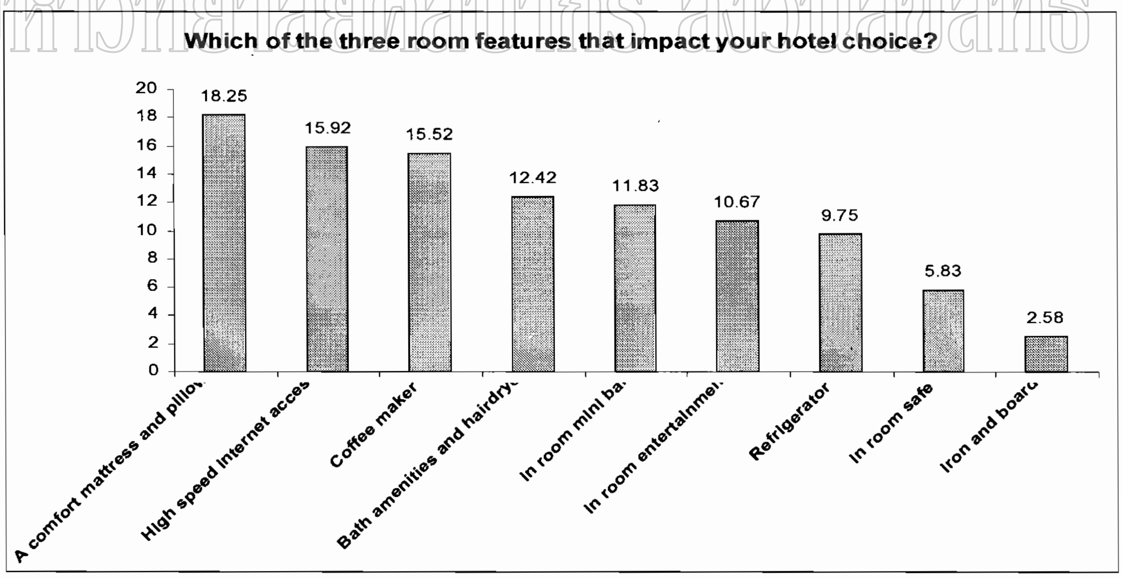
Age		Sum of Squares	df	Mean Square	F	Sig.
	Between Groups	110.529	3	36.843	68.039	.000
	Within Groups	214.431	396	.541		
	Total	324.960	399			

If Sig. <0.05 , there is a significant level

7.2 PERFERENCE UPON ROOM FEATURES

This survey finds that the in-room amenities have less to do with luxury and affluence but more to do with personal needs.

When asked what type of guest room features impacts their choice, respondents give multiple answers indicating that it is a variety of factors that contribute to their decision making process. The top three amenities travelers "must have" are a comfort mattress and pillows (18.25%), high speed internet access (15.92 %) and an in-room coffee maker (15.25%).



Description	Male	Female	*Total*
A comfort mattress and pillows	112 (1st)	107 (1st)	***219***
High speed internet access	98 (2nd)	93 (2nd)	***191***

Coffee maker	91 (3^{rd})	62 (5^{th})	***153***
Bath amenities and hairdryer	62 (6^{th})	87 (3^{rd})	***149***
In room mini bar	68 (5^{th})	74 (4^{th})	***142***
In room entertainment	81 (4^{th})	47 (7^{th})	***128***
Refrigerator	58 (7^{th})	59 (6^{th})	***117***
In room safe	52 (8^{th})	18 (8^{th})	***70***
Iron and board	26 (9^{th})	5 (9^{th})	***31***

T-test system is being used to determine how gender has an impact on hotel's room. The results indicate that gender has a significant impact on room's features. According to the results from T-test calculation, men value the importance of coffee-maker, and in room entertainment more than women do. On the other hand, women tend to value more on bath amenities and hairdryer, in room mini-bar, and refrigerator more than men do.

Description		**Levene's Test for Equality of Variances**		**T-test for Equality of Means**						
		F	**Sig.**	**T**	**df**	**Sig. (2-tailed)**	**Mean Difference**	**Std. Error Difference**	**95% Confidence Interval of the Difference**	
									Lower	**Upper**
Comfort mattress and pillow	**Equal variances assumed**	4.970	.026*	-1.261	398	.208	-.06300	.04996	-.16122	.03521
	Equal variances not assumed			-1.262	389.405	.208	-.06300	.04991	-.16113	.03512
Iron and board	**Equal variances assumed**	56.940	.000*	3.519	398	.000	.09320	.02648	.04113	.14526
	Equal variances not assumed			3.693	326.614	.000	.09320	.02524	.04355	.14284
Bath amenities and hairdryer	**Equal variances assumed**	38.611	.000*	-3.893	398	.000	-.18579	.04772	-.27961	-.09197
	Equal variances not assumed			-3.862	373.065	.000	-.18579	.04810	-.28038	-.0912

In room entertainment	**Equal variances assumed**	26.772	.000*	2.570	398	.011	.11957	.04653	.02809	.21104
	Equal variances not assumed			2.591	396.724	.010	.11957	.04615	.02885	.21029
In room mini bar	**Equal variances assumed**	11.959	.001*	-1.823	398	.069	-.08736	.04793	-.18158	.00686
	Equal variances not assumed			-1.815	380.397	.070	-.08736	.04814	-.18201	.00729
Refrigerator	**Equal variances assumed**	5.092	.025*	-1.141	398	.254	-.05213	.04568	-.14193	.03767
	Equal variances not assumed			-1.137	380.781	.256	-.05213	.04587	-.14232	.03805
High speed internet access	**Equal variances assumed**	1.522	.218	-1.031	398	.303	-.05173	.05017	-.15036	.04690
	Equal variances not assumed			-1.031	387.382	.303	-.05173	.05019	-.15040	.04694
Coffee maker	**Equal variances assumed**	11.585	.001*	1.732	398	.084	.08434	.04870	-.01139	.18007
	Equal variances not assumed			1.738	392.564	.083	.08434	.04853	-.01106	.17974
In room safe	**Equal variances assumed**	66.920	.000*	3.807	398	.000	.14291	.03754	.06912	.21671
	Equal variances not assumed			3.915	383.228	.000	.14291	.03650	.07114	.21468

*T – Test Analysis: * $p<0.05$*

Other key findings of the survey:

According to the survey, travelers are also heavy users of the internet. They are looking for hotels committed to keeping pace with their technology needs. Travelers need fast, reliable internet services to keep in touch with their priorities while away from home. Ninety-three percent of the survey respondents report that they always or sometimes use the Internet while traveling. No doubt that is why in-room laptops are the most desired added amenity preferred by those who respond the questionnaires.

A full two-thirds agree that it is very important to stay connected" while on holiday. If hotels provide computers, 65 percent say they will be likely to use them. Almost three-quarters of respondents (73 percent) agree that they like to have better options from hotels in terms of computer use, e-mail or Internet access. And they want that technology in guestrooms. A full 80 percent of respondents express preference for using a computer in their rooms, rather than in hotel business centers. Two-thirds of respondents agree they will choose one hotel over another if it offers superior in-room technology resources.

Half of all business travelers surveyed indicate they will prefer to surf the Web than the TV channels in their hotel rooms. And high-speed Internet connections are twice as appealing as pay-per-view movies when respondents are asked to "build" their ideal hotel (ranking second only to newspaper delivery).

While offering a wider range of affordable accommodation, a major concern of the respondents lies in cost control. The data translates as follows:

- 68 percent of the survey respondents identify budget chains as their considerable choice for accommodation.
- The acceptable rates for budget accommodations range an average of 1000-1500 baht per night.
- 42 of the respondents are willing to pay for hotel accommodation ranging from 1500 to a maximum of 2500 baht per night if certain amenities in room, including internet access are provided.

DISCUSSION

Despite global economic, health and geopolitical concerns, there is a significant growth of more international travelers from America and Europe traveling to Bangkok. One explanation for the growth is favorable currency exchange rates when travel expenses are converted to their currencies, in which expenses become cheaper as the real strengthened. It is said that the value in exchange rate is a key factor for determining purchasing power. A U.S. dollar and a Euro converted at the market exchange rates have greater purchasing power in Thailand than in the U.S. and Europe. This is a result from economic crisis, especially since the year of 1997 when the exchange rate of the Asian currencies dropped by nearly 20 to 80 percent against the US-Dollar.

Following the survey results, Asian travelers are more budget-concerned and are having lower purchasing power as their income levels are lower compared to those of American and European travelers. It is evident when 92, 81, and 80 percent of survey tourists from Europe, Australia and New Zealand, and Americans respectively choose to stay at three stars hotel or higher, compared with only 34 percent of the tourists from Asian countries, except from Japan and Singapore where income levels are considerably high.

It can be said that the income level and exchange rates are significant factors in determining the level of purchasing power as travelers often use financial means from their income in determining the size of the price and type of the accommodation. Travelers can buy a room whose prices cannot exceed their total income. Hence, the influence of the attribute "price" on the economic behavior rests on the income restriction.

Apart from favorable exchange rate, the lodging industry is heavily dependent on consumer confidence or how people feel about the current economic environment. The study indicates that the economy is playing a major role and having a greater impact on travel than are geopolitical or health issues. For instance, when asked which factors will have an impact on their travel plans, 47 percent of respondents select the economy, versus

32 percent who select health issues, including SARS, and 20 percent who select geopolitical issues.

As traveler confidence hurt by uncertainty, travel is more often than not considered a luxury item. More travelers are becoming very price conscious so they will substitute a lower priced item if they feel the more expensive item is not worth the difference in price. When prices go up, consumers look for other products that can be substituted that are cheaper and still fulfill their wants. It is also concluded that E-commerce provides consumers with another source of information when determining the best place to purchase a good or service. It can be said that travelers are becoming savvier and desiring quality standard products at low prices. This is evident when price is being chosen as the most important factor in hotel selection, and 68 percent of the survey respondents identify budget hotel chains as their considerable choice for accommodation in their next trip in Bangkok.

Related to value-consciousness and being motivated by the desire to save money, travelers grow more and more accustomed to researching prices and purchasing online. Consumers have become suspicious of travel prices as they have found different rates for hotel room on various websites. Now they are becoming "bargain-brained" or rather afraid that whatever they pay it will be more than other people pay. They stress on value for money and want to get the best quality deals at the lowest prices available. Thus, purchase decisions continue to be based largely on price and value. And, there is no doubt why the low-cost concept has been warmly embraced and is continuing to increase in popularity among travelers.

Evidenced by the past research and this study, it confirms that the rise of low cost carriers has a significant impact on traveler behavior. Indeed, the low-cost carriers are already getting travelers' attention. This study shows that more than half (69 percent) the respondents said they have used low cost carriers for trips in the last six months. And, 35 percent of the survey respondents reported that they will use mid-range hotels and 33 percent said they will use budget hotels or their travel in the next six months, while only 15 percent said they expect to stay at luxury chain or boutique hotels. It is obviously seen that most travelers will limit the use of some luxury hotels and the choice of airlines in favor of preferred or low-cost options. The results from survey present similar result to the statistics provided by the Tourism Authority of Thailand. The statistics show that the number of hotels in Group1 in the year ended 2005 was 58,804 hotels, a decrease of 3.48 percent on the previous year. Growth in total tourist arrivals at hotels in Group1 slowed in 2005, increasing 1.00 percent, compared with a rise of 22.18 percent in Group 2. The tables show accommodation demand for Group 2, categorized number of overseas tourist arrivals at each group. Thus, it can also be said that because most of the rise in oil price and the popularity of cheap flight, cost-conscious travelers are now scrutinizing budgets and deciding that there really is no need to waste money on unnecessary items.

The result details consumer behavior and shows how income and exchange rate are playing as a factor affecting their buying decisions. Worked relatively with the theory of consumer choice, the results show that there is a change in travel spending and there is a sharp decline in their purchasing power inn the time of economic downturn and uncertainties. Luxury hotels are said to have a low level in demand. As travelers are concerning with savings, they will consider buying less and less of the luxury products and services. This also means that when there is a decline in income, its demands also drop relatively. The survey results show that in times of increased prices due to unfavorable exchange rate, travelers do not display much concern on purchasing luxury products and services. And, this makes the purchase of low-cost hotel's room become popular in the eyes of traveler. It is said that increased price do lower the purchase of luxury rooms by travelers, but does not affect the purchase of basic rooms.

It is important to understand what basically an economic traveler needs from a hotel. They simply need a clean and comfort room with certain extent of basic amenities. A lot of economic customers just need to get in the room and take a shower, get changed and check their mail. Then, they leave early for activities, come back late and go to bed. The next day they get up, eat breakfast and check out. They spend only few hours in hotel as most will be busy with activities outside the hotel. This would be the same whether they are staying in a five-star hotel so why pay all that extra? The question of why have to pay more has, therefore, become a new consumer trend. The study also detects that travelers' habits have changed as well. This study shows that business respondents identify price over service by a margin of three to two as the leading factor along with location in influencing their choice of hotel. Quality of service slips to be the second last considerable factor with only 8 out of 52 respondents said that quality of service is critical requirements for choosing a hotel. This represents a significant shift in attitude and behavior from that found in the Tisch Center's 1999 survey of business travelers, who at that time said quality of hotel service was the leading factor in determining which hotel to book.

Despite the emphasis on price, survey result indicates that location is one of significant factors when it comes to making travel arrangements. Location is a critical consideration as travelers need convenience. Thus, location is being identified as the second top requirements in their choice of accommodation.

Though price dominates travel decisions, brand and reputation, as well as a traveler's experience, are critical factors when it comes to making travel arrangements. Almost seven percent of the survey respondents cite brand and reputation of the hotel as the most important. The consistency of brand experience is becoming more important as most major hotel chains are rapidly expanding overseas. It can be said that travelers expect a similar hotel experience when staying with the same brand. Moreover, it is interesting to find that brand and loyalty are emotionally connected in term of marketing. The study indicates that loyalty comes when the hotels consistently provide guests' specific needs and wants. The hoteliers, therefore, need to find marketing strategies to cement their guests' loyalty through emotional attachment. The hotels must not only keep their prices competitive, but differentiate themselves by offering superb customer service. The survey clearly indicates that the hoteliers must better identify value customers to build personalized relationships.

Among other influences, respondents also identify technology as an area of growth and opportunity in the travel industries. For example, internet access is being ranked as the second "must have" in their choices of room amenity. While travelers seek a consistency in service, quality and frequent guest benefits that a chain hotel provides, they still desire an experience that is more personal to their needs. The high-speed internet is an important amenity that will offer a whole new level of service. This is something that gives customers a value or benefit and feature that is different than what else is happening in the budget segment.

Understanding customer's preferences will enable the hotel operators to increase their level of customer service and offer guests new modern conveniences. As more people use the internet for their travel plans, internet access is becoming increasingly important. The internet solution can be used as a surprisingly effective marketing and promotional tool as a single amenity can make the difference between staying at one hotel over the other. The hotels should wake up to the fact that some investments can generate a better, more attractive experience for guests, leading to higher hotel revenue.

It is concluded that customers in economy segment have become more "bargain-brained". Consumers actively engage in bargain hunting for all forms of travel. They will remain cautious in travel spending related to travel and tourism costs and it is more challenging for travel marketers to forecast their behavior. It is therefore important to rise the economic challenges by streamlining marketing programs, focusing on accurate monitoring of customer segments, building stronger customer relationships and researching to determine customer preferences. These innovations will form a foundation for travel and tourism growth for the next decade.

CHAPTER 5
CONCLUSION

This report is a study of a demand for quality 2-3 star and economy hotel. The study takes a look at general economic behavior and how that affects travelers in hotel selection. The report can be used to help increase understanding of the travelers and the factors that are at play in their decision-making processes.

In the following section, the paper presents the results of a research study on consumer behavior on budget hotel chains. The paper focuses on the determinants of economic behavior, such as, the rise in oil price and the impact of low cost carriers, consumers' familiarity with international brands, and the effects of economic ethnocentrism on purchasing patterns.

The underlying conceptual and methodological framework is also being used to discuss and analyze the various aspects of consumer behavior. The survey results confirms that price is still the primary value driver followed by type/location of the hotel, core amenities, quality of service and brand for economy market. The study also detects that the selection process is led by new value drivers such as technology, loyalty points and customization options. It is said that in an era of fierce competition where hospitality services have become more or less commodities, and hotels are fast becoming indistinguishable from each other, hotels have to be quick to adapt to the new and changing requirements of their customers in order to win their business

The study also finds that dynamic changes in the socio-economic environment, including the rise in oil price, and the ongoing rise in the popularity and use of low-cost air travel, seriously influenced the values and lives of consumers and consequently affected their purchasing habits, preferences and inclinations.

As a result of the economic deterioration, travelers want better value for money products and services. Customer preferences are moving towards being more budget conscious. Low-cost options are, thus, becoming a driving force in travel, as uncertainty about budgets tops the list of travelers' concerns.

Since competition remains intense in the industry and third-party reservation systems constrain rates it is, therefore, essential that hotel operators and business counselors be aware of the trends and changes occurring in the lodging industry.

Nevertheless, the study recognizes that while being aware of some of the key value drivers for the hotel, it is only one part of the equation. To be successful, firms need to understand their own distinctive competencies, operational strengths and choose the product/service delivery strategy that not only satisfies the customer but also is in line with their own capabilities and overall direction.

RECOMMENDATION

In developed countries, budget and economy hotel chains have a market share of about 70 percent, but they account for less than 2 percent of the market in Thailand. Following the survey results, most tourists do not need five-star hotels but rather high-quality budget and economy hotels.

Due to the economic downturn, the hotel group should consider a construct of a lower-tiered hotel chain so that the hotel group could smooth out the risk associated during times of economic downturn. Since tourists have generally become more price-conscious, building other lower-tiered hotel chains, the group will be able to serve a larger portion of the market, thus increasing revenues.

The reason why budget hotel chains will gain its popularity can be explained as getting faster returns on its investments compared with full-service hotels. It is said that the risk is significantly lower. The primary reason for this is that the capital required building one medium-size, mid-price, full-service hotel could build three or four budget properties in various locations. Thus, the risk is spread over more markets.

Related to price-consciousness, the hotel should be committed to lowering prices to drive growth. The hotel operators should aim to offer the great and quality product but at even lower prices. Affordability and accessibility are what the hotel is all about as to make a hotel stay affordable for everyone.

With rivals constantly raising prices, the hotel can offer a room at the lowest of 1,000 baht. Lowest Price Guarantee" will also be used as marketing tool that will boost direct-to-consumer online distribution. It serves as an assurance that consumers will get the lowest possible price available on the market. The strategy will be used to influence people to book online.

Since the growth of online-purchase has made hotel operators experiencing a loss of control over the pricing of rooms it is, therefore, important for the hotel operator to find out option-pricing approaches which create a structure of best-rate guarantee that will provide value to consumers. As a strategy, the hotel operator should offer the guest the option of purchasing a price guarantee. Such an option will give the guest the lowest price posted on a specified set of web sites, up to the time the guest arrives at the hotel.

The pricing of this option will be based on a well-established exotic-option pricing formula. A demonstration of how to price this best-rate guarantee shows that its value (and its price) diminishes as the arrival date approaches, so consumers should be willing to pay for the option, because the price is set according to the likelihood that prices will change. Using this approach hotel companies should be able to eliminate the incentive for consumers to engage in search-and-switch behavior, reestablish the price integrity of their product, and simultaneously create a revenue stream from the sale of the best-rate-guarantee options to their customers. Benefits of the strategy are listed as following:

- Serves as a great tool to beat the online discounters at their own game
- Such guarantees entice more consumers to book from the hotel's online website.
- Rate guarantees can dramatically boost conversion rates on the hotel website
- It is less expensive to guarantee the lowest price than to sell through online discounters.
- Rate guarantees are great customer retention instruments.
- Such guarantees have important psychological and promotional effects for consumers.
- More and more, the guarantee is an expectation by online consumers.
- Price guarantees have a great "word of mouth" effect.

Related to price-consciousness, products should be standardized value-driven," "rooms-focused" product. , budget hotel should be offering a quality night's sleep at a low price. The hotel should be very basic but offer a good location to travelers seeking very low budget accommodation. To respond to changing market needs, the hotel should offer a wide variety of "new" value drivers that differentiate its hotels from others in the budget category such as:

- Well-equipped rooms with air conditioning, traditional and private bath rooms, telephone, television, coffee maker and bath amenities.
- Family rooms that can accommodate up to four people.
- Self-service buffet-style breakfasts, widely regarded as excellent value for money,
- In-room unlimited Wi-Fi access for free
- Several reservation methods – online, by telephone (either directly to the hotels or via the call center) or using an interactive kiosk at the hotels.
- Frequent user programs and customization.

As a part of recommendation, it is necessary that the hotel operator pay careful attention to every detail of development and day-to-day management without losing sight of the big picture, evolving collage that includes ever-changing guest preferences, shifts in the local competitive environment, and the dynamics of the local area's economy and how it impacts demand for hotel rooms. Indeed, the most important piece of the budget-segment is always a people business, whether the people are guests or employees. And whatever the definition of "sticking to the basics" is, in the economy segment it should always start with taking care of people.

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APPENDIX A
SURVEY

Dear Traveler,
This survey is conducted as a part of research. Your responses are extremely important in helping estimate traveling expenditure and the kind of accommodation that foreign tourists prefer. All responses will be used for statistical purposes and analysis only. We thank you for participating.

1. **What is your nationality?**____________

2. **Gender**
   ☐ Male ☐ Female

3. **Age**
   ☐Less than 15 yrs ☐15-24 yrs ☐25-34 yrs
   ☐35-44 yrs ☐45-54 yrs ☐55-64 yrs
   ☐65 yrs and above

4. **Marital Status**
   ☐ Single ☐ Married ☐ Divorced, Seperated, Widowed

5. **Monthly personal income**
   ☐ $1,500 or less ☐ $1,501 - $2,500
   ☐ $2,501 - $5,000 ☐ $5,001 - $7,500
   ☐ $7,501 - $10,000 ☐ $10,001 - $12,500
   ☐ $12,501 and above

6. **What is the main purpose of your visit to Bangkok**
   ☐ Leisure / pleasure
   ☐ Business
   ☐ Other ________________

7. With whom are you traveling?

☐ Alone ☐ With spouse ☐ With children

☐ With family/relatives ☐ With friends ☐Others______

8. Number of nights that you spent in Bangkok

☐1-3 nights ☐3-6 nights ☐6-9 nights ☐10-12 nights

☐12-15 nights ☐ 16-18 nights ☐ More than 18

9. Are you in Thailand on a package/group tour? (i.e. a tour in which at least access fares and accommodations are included in the price paid for the tour)

☐ Yes. ☐ No.

10. What source of information about Bangkok did you get before this trip?

☐ Tour Agency ☐ Embassy/TAT ☐ Magazine

☐ Friends/Relatives ☐ Airline ☐ T.V.

☐ Internet ☐ Printed advertisement

☐Others__________

11. While on hotel selection process, have you ever looked for economy/budget hotel chain in Thailand?

☐ Yes. ☐ No.

12. How much in total for 1 person do you pay for accommodation per night?

☐ Less than 500 Baht ☐501-1,000 Baht

☐1,001-2,000 Baht ☐2,001-3,000 Baht

☐3,001-4,000 Baht ☐4,001-5,000 Baht

☐5,001-6,000 Baht ☐6,001-7,000 Baht

☐7,001-8,000 Baht ☐8,001-9,000 Baht

☐9,001-10,000Baht ☐Above 10,000 Baht

13. Is Bangkok a cheap destination for you?

☐ Yes. ☐ No.

14. How do you feel about prices of products and services in Bangkok compared to those in your country?

☐ Higher ☐ Lower

15. Which of the following issue is considered to be the most influential factor that impacts your travel decision?

☐Economic uncertainties ☐ Health issue ☐ Geographical issues

16. Please mark which of the following factors have an affect on your traveling expenditure? (Can be more than one)

☐ A rise in oil price, resulting in high cost of transportation

☐ Inflation conversion and the rate of exchange between currencies in Thailand, relative to that of your origin

☐ Consumer Price Index, changes in prices of all goods and services purchased by wage earner.

☐ Political instabilities in Bangkok

17. Will you plan to travel away from home in the next year?

☐ Yes ☐ No

18. Do economic uncertainties affect your travel budget?

☐ Yes ☐ No

19. Regarding hotel purchase, which of the following describes your perception towards importance of price?

☐ The lowest possible price

☐ Best value in price plus value added in services and facilities

☐ Honest price

20. Are you willing to accept a certain degree of restrictions for the lowest price guarantee if there is a guarantee of the lowest price for a hotel reservation? (Can be more than one)

	Yes	No
- 72 hour-cancellation or refund request	☐	☐
- A minimum purchase of one night	☐	☐
- Prepayment and deposit requirements	☐	☐
- Conditions regarding modification of the reservation	☐	☐

21. Regarding the decision making, which of the following factor is considered to be the most important in hotel purchase?

☐ Price

☐ Luxury and Facilities

☐ Location

☐ Brand and recognition

☐ Quality of service

☐ In-room amenities (e.g. toiletries, room décor, coffee maker, mini-bar, etc).

☐ Previous experience

☐ Recommendation of friends or associates

☐ Recommendation of travel agents

☐ Frequent hotel stay or airline points

☐ Other__________

22. How do you value the importance of price?

☐ The lowest possible price

☐ Best value in price plus value added in services and facilities

☐ Honest price

23. Which of the three room features that impact your hotel choice?

☐ A comfort mattress and pillows

☐ In room mini bar

☐ Coffee maker

☐ High speed internet access

☐ In room entertainment

☐ Bath amenities and hairdryer

☐ Refrigerator

☐ Iron and board

☐ In room safe

24. Please check the additional preferences and in room services that must be contained in your room-purchase profile. (you are willing to pay higher room rate if these items are added in room)

☐ Internet

☐ Mini bar

☐ Radio in room

☐ Safe deposit box in room

☐ Turn down service

☐ Bathrobe and Bath tub

☐ Hair dryer in bathroom

☐ Iron & Board

☐ Working desk and accessories

☐ Complimentary Fax, Phone

☐ Complimentary Newspaper

☐ Others________________________

25. Does a rise in oil price affect your travel plans?

☐ Yes. ☐ No.

26. Will you plan to take more trips next year?

☐ Will take more trips than this year.

☐ Will same number of trips as this year.

☐ Will take fewer trips than this year.

☐ Will take no trips in the next coming year.

27. Have you used the low-cost carriers for the past six months?

☐ Yes. ☐ No.

28. How do you expect the use of low-cost carriers in your future trip?

☐ Increased

☐ Remained

☐ Decreased

29. Do you plan to spend less on travel expenditure?

☐ Yes ☐ No

30. Which type of hotel will you plan to stay for your next trip?

☐ Luxury hotel

☐ Mid-price hotel

☐ Budget hotel

☐ Guesthouse

31. Do the low-cost airlines encourage you to travel more in the region?

☐ Yes ☐ No

32. If yes, will you intend to spend more or less on hotel?

☐ More ☐ Less ☐ The same amount

33. Please rate your overall satisfaction with your existing hotel accommodations.

☐ Very satisfied ☐ Satisfied ☐ Dissatisfied

34. Do you use the internet for hotel arrangement?

☐ Yes ☐ No

35. How do you use the internet for hotel arrangement?

☐ Do not use the internet for hotel shopping

☐ Research and purchase hotel online

☐ Research hotel online, but purchase offline

36. What are the reasons in using search engine?

☐ To find about room rates and make price comparison

☐ To get information about hotel

☐ To see if any special offer or promotions are available

☐ To find which travel agencies and suppliers served the market

☐ To view guest's opinions

37. How is international brand and chain important to you?

☐ Very important ☐ Important ☐ Somewhat important ☐ Not important

38. How do you arrange your hotel?

☐ Over phone with hoteliers

☐ On hotel 's websites

☐ Through agencies / intermediary' websites

☐ Over phone with offline agencies

☐ Visit local agencies

☐ Someone else booked my travel

39. On purchase decision, how much is it acceptable for budget/economy hotel chain?

☐ 1000-1500 Baht

☐ 1500-2000 Baht

☐ 2000-2500 Baht

☐ 2500-3000 Baht

40. The below statement is a description of an economy hotel managed by international chain. Following the statement, will you make a purchase on it?

Welcome to the first economy hotel managed by an international hotel company. Our hotel's philosophy is that guest should not have to pay for services that they don't want, need or use. We've eliminated all these necessary extras that are usually built into the hotel's room rate. The simple but comfort rooms offers top quality facilities. All rooms are equipped with satellite channels, telephone, wake up-call, Wi-fi internet access. We've simply given our clientele economy, that is to say "value for money"

-Superior value for money, 1200-2200 Baht per night
-Clean and comfort room
-Excellent location
-Well trained staffs
-Quality food and beverage for 24 hrs.
-Lobby Bar

☐ Yes. ☐ No.

Many Thanks For Your Kind Cooperation

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