

## **CHAPTER I**

### **INTRODUCTION**

As one of the major tourist destinations in Asia-Pacific, Thailand has enjoyed the growth of its tourism industry and the revenue generated by international tourists mainly from East Asia, Europe, and the Americas (Tourism Authority of Thailand, 2003). In 2003, Thailand was ranked by the World Tourism Organization (WTO) as the third top tourism earner in Asia after China and Hong Kong (China), the fourth top-tourism destination in terms of the number of international tourist arrivals behind China, Hong Kong (China), and Malaysia and the third place in Asia in terms of a destination with the top accommodation capacity measured by the number of rooms in 2003 (World Tourism Organization, 2005). (See Appendices A, B and C). This prominent standing was accomplished by strong support from the Thai government and by rigorous marketing and promotional plans of the Tourism Authority of Thailand (TAT), a national tourism organization with a history of more than 40 years. All through the years, the Thai tourism industry has been growing along with the Thai economy.

#### **Background**

For many decades, Thailand had proudly retained its Mystery of the Orient, with an exotic and ancient culture symbolized by glittering temples, stately Buddha images, and rows of saffron-robed monks collecting food from the people. With the exposure to western cultures through commercial and educational activities, the old Thailand has undergone major changes in both their views of the world, ways of life, cultural practices, and technological adaptation. As a result, a Thai identity has emerged, putting the country in the epicenter of all things chic and trendy (Chami, 2006). Its infrastructure has improved and expanded; modern communication technology has been put in place; medical facilities have been equal to none with the state of the art technology; shopping malls and lodging with modern facilities have been created for the comfort of tourists. In addition, the costs of living are not as high

as those in other destinations. Because of these, guests and visitors are of the view that Thailand offers value for money. In health tourism, tourists seeking medical treatments in Thailand no doubt pay only a fraction of what it costs back home with the same quality and standards they would receive at home. Thus leaving them with extra money left to spend on their favorite leisurely pursuits such as sight-seeing, shopping, golfing, spa and beauty treatments, and other treats.

Thailand has long been recognized for world-class service and hospitality. Today international spa operators are looking to Thailand to lead the region in the training of spa personnel to address market need in a world where demand far outstrips supply. The Thai spa has become a much sought-after model for success both locally and overseas. It appears the growth will continue unabated. The country's reputation for outstanding service and superior spa hospitality are backed by equally solid operating results and economic performance that far exceed that of counterparts around the region. Thailand settles comfortably into its new status as the spa capital of Asia.

However, because of the tourism's rapid growth and financial successes, the social and cultural environments in some of Thailand's major tourist destinations, such as Bangkok, Pattaya and Koh Samui, Hua Hin have been abused (Wangpaichitr, 1996) by unscrupulous business operators.

Though tourists come to Thailand from all regions of the world; however, European markets seem to be prevailing, with a total of 2,851,233 arrivals to Thailand in 2004, representing an increase of 13.27 percent (Tourism Authority of Thailand, 2005). Bangkok seems to be a potential, if not the largest, market for European tourists. In 2004, Bangkok received about 61 percent of all international arrivals, which was equivalent to a total of 178,993 arrivals and generated total earning of over 6,500 million (baht) from expenditure of international tourists (Tourism Authority of Thailand, 2005). Tourism in Bangkok has steadily grown because of many positive factors to support such expansion as first class facilities for international conferences and seminars, excellent locations for sports events such as a sailing-boat competition, international golf tournament events, and other festivals involving international participation, together with the ease of travel, especially with the opening of SGA Company in 2000 to provide flights into the country during the tourism's high season.

Moreover, there are excellent spas and golf courses to draw both domestic and foreign tourists to come to Bangkok for health and sports activities. The markets for these activities increased 5.14 percent; most of the patrons were European tourists, especially, German, Danish, and Swedish tourists. Bangkok welcomes them with a variety of activities.

Nowadays, Bangkok is a well-established destination with world-class facilities, coupled with a true sense of Thai hospitality. Despite its extensive growth and development as a luxurious destination, the splendor of Bangkok remains intact. Content with itself, Thailand's oldest seaside resort has never sought international recognition. It has continued to provide a peaceful and relaxed sanctuary in a picturesque environment that comes with a true sense of historical identity. There are a number of internationally reputed resorts and spas in Bangkok which have been admired by both the domestic and foreign tourists who come here. According to Tourism Authority of Thailand (2004), Bangkok earned 11 million (baht) in 2010 from resorts and spas. Readership surveys and polls conducted by leading international travel, leisure and lifestyle publications also reflect a clear vote of confidence in Thai spas. Since 1999 spas in Thailand have managed to consistently secure a place in the world's top overseas spas (Tourism Authority of Thailand, 2005). There is an internationally reputed spa in Bangkok, Men spa. In the 2008 survey conducted by Conde Nast Travelers of the UK- a leading travel and lifestyle magazine – Men spa at Bangkok was voted the number one overseas destination spa.

### **Statement of problems**

Spa is an important part of overseas travel, especially for European tourists for relaxation. Because of this, spa has been one of the pull factors to increase tourism in Bangkok. The hotel/resort spa sector in Bangkok continues to lead the way in the growth of the local spa industry. An increasing number of hotel properties in Bangkok are launching their own spa products in recent years. Many more deluxe hotels are investing in the addition of spa facilities and will be offering in-house lines of spa products and services. The key ingredients for a successful spa are the quality and variety of the services and products being offered, the price range, the friendliness and competence of the staff, design, atmosphere, ambience and cleanliness. Nowadays,

Bangkok has earned the reputation of having top quality resorts and spas in Thailand. Because of an increasing number of spas, competition in spa business in Bangkok is very fierce. The good news is that with unbridled competition, each spa establishment has attempted to improve both quality and service quality to draw its clients, mostly Europeans. In order to successful in business, it is interesting to learn about some aspects of spas in Bangkok and European client behavior so that service quality can be delivered to meet the expectation of the intended market. In the research, the service quality in spa will be explored in order to gain more insight into the quality of the service as perceived by European tourists. That is, “What are the difference between the European tourists’ expectations and perceptions of the service quality provided by the spas using in Bangkok?”

### **Research objectives**

The purposes of this study are:

1. To identify tourists’ expectations and perceptions of service quality in the spas of hotels or resorts in Bangkok Metropolis.
2. To identify the difference between tourists expectations and perception of service quality in the spas in Bangkok Metropolis.
3. To find out the difference between the demographic characteristics when classified by gender, age, education and monthly income to the expectations and perceptions in service quality.

### **Expected benefits**

The findings of this research will be beneficial to spa operators in order to improve the service quality of their business, especially spa establishments that cater to the needs of European tourists. Besides improving the services based on the findings of this study, spas operators will be able to use the information to retain their old patrons, attract new ones, and better serve the needs of their patrons in other aspects as indicated by the subjects of the study.

### **Scope of the research**

This research will focus only on the service quality of spas in Bangkok that cater only to foreign tourists, particularly European tourists from Denmark, France, Germany, the Netherlands, Sweden, Switzerland, and the U.K. However, tourists from other countries are not excluded. The data will be collected from spa establishments in Bangkok.

### **Operation definitions**

**Expectation** means guest's desire level by confidence of fulfillment from a service.

**Perception** means personal interpretation of the guest toward actual service performance from a service.

**Gap** means difference of quality level between people's expectations and their perceptions of service performance.

**Gap 5** means the different between the consumer's internal perception and expectation of the services from SERVQUAL model.

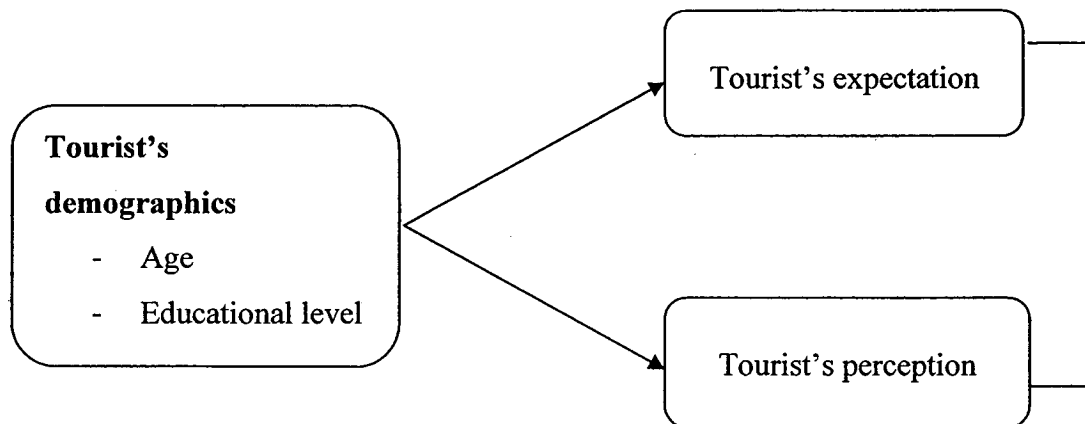
**Service quality** means service manner provided as it influences the degree of satisfaction towards goods or service.

**Men Spa** means spa service especially for men—it is a kind of niche market. The service covers relaxation in natural surroundings, using water as the main constituent, combining other natural therapeutic methods like massages and aromatherapy together with chemical-free ingredients.

**The European tourists** means tourists who come from Europe such as, Austria, Belgium, Denmark, France, Germany, Italy, Netherlands, Sweden, Switzerland, U.K, etc. They visit Hua Hin then use spa service in Hua Hin.

### **Conceptual model**

This model utilizes the concepts of expectations and perceptions of service quality and determines the perceived service quality gap, which is gap five to assess the tourists' satisfaction in the spas.



**Figure 1 Conceptual Framework**

### **Hypotheses**

**Hypothesis 1:** The tourists with different demographics (age, educational level, and income) will have different expectation.

**Hypothesis 2:** The tourists with different demographics (age, educational level, and income) will have different perception.

**Hypothesis 3:** There is a significant relationship between expectation and perception.