RELATIONSHIP BETWEEN USAGES AND REVENUE MANAGEMENT ORGANIZATONS' CHARACTERISTICS TO THE TYPES OF THE HOTELS IN CHIANG MAI COMPARING WITH CENTARA HOTELS AND RESORTS



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Relationship between Usages and Revenue Management

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Thesis title: Relationship between Usages and Revenue Management

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Chiang Mai Comparing with Centara Hotels and Resorts

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Abstract

The objectives of this study were (1) to investigate the usage of revenue management (RM) in Chiang Mai hotels; (2) to examine the characteristics of hotels in Chiang Mai that use RM; and (3) to study the relationship between usage and characteristics of RM organizations to the types of the hotels in Chiang Mai and comparing with the Centara Hotels & Resorts.

This study was explored the RM used in the hotels which are located in Chiang Mai. The hypothesis was not tested, but it is necessary to trace a relationship between types of hotels and those subjects. For these reasons, this study was relied on the interpretive method because it is beneficial for examining the attitudes, opinions and views of respondents. Thus, the interpretive framework was deemed to best serve the purposes of this research.

Research findings were followed: in term of usage of hotel RM system elements, luxury and value's ratio of hotel revenue center were similar to the Centara, but superiors' and styles' were higher. Information and channels were shown up at some levels of the luxury and superior and less for values and styles respectively. Balancing of using RM tools were found only for the luxury, the rest were not comparable due to they lacked understanding of RM concept. All types were able to produce the basic information from their software which is out of date or non-integration. The Luxury already had RM team but the rests were lacking in understanding person. Moreover, the RM process was found that at the luxury and some superiors, but it was not as complete as the Centara's. Value and style have some part of them but it was still incomplete. In term of characteristics of organizations of RM, all types of hotels have limited supplies, the high fixed costs and variable demand were shown; more or less more or less, depending on the nature of each type. The general categories of market segment were stated in every type, dividing into many sub-categories for differentiation which is shown at the Centara. The same factors to differentiate the room types were used. Only luxury was shown the perishable inventory characteristic, the rests were not really shown. Last, ability to communicate efforts was demonstrated in the same direction for all types as well as the Centara.

Keywords:Revenue management, Hotels in Chiang Mai

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CHAPTER 1

INTRODUCTION

This chapter presents the background of problems, main problems, and subproblem, significant of the study, the scope and limitation of the study.

1.1 Introduction of the Study

Svafa & Judith (2006) said that nowadays service is an important part of any businesses in basis of business so western businessmen have focused more in service industry because of national income measuring by GDP. The service is the great strategy for competitive advantage.

Smith Travel Research cited in Ernst & Young (2013) showed that international markets in the Asia-Pacific region has infiltrated in term of economic uncertainty (slowdown), however, all major Asia-Pacific countries are forecast to achieve RevPAR growth in 2012 with Japan and Thailand leading their performance in the region.

According to Phanin, Akarapong, Mingsarn & Rennato (2011), results on the operational efficiency of the hotel industry in Thailand suggested that should focus on allocate labor efficiency that should be replaced by modern technologies for chain hotels whereas domestic investment hotels or hotels which earn revenue from only one source of income (room rate) could intend to achieve efficiency in asset management.

The different of policies which use for small to large size of hotel should be identify to be appropriate with their types in Thailand hotels by government which lead to the need of revenue management to apply for this to help fulfill the suggestions.

Moreover, the number of new hotels in Thailand has grown rapidly especially in Chiang Mai, Bangkok and Phuket, as results it leads to an intense of price wars and high level of competition in 2012 first quarter. (Yoopetch, 2012)

Jones Lang LaSalle (2013) said that there are 543 hotels totaling 27,369 rooms in Chiang Mai. Most of the new comers in Chiang Mai are independently owned/

owner-operated boutique hotels. In 2013, the new prominent hotel is the renowned boutique hotel chain, the Sala. SalaLanna Chiang Mai, a16-room boutique hotel, opened in March 2013. Hotel occupancy in Chiang Mai increased for the first time in year-to-date July 2011 after a continuous drop since 2008. Chiang Mai market wide occupancy rate in year-to-date July 2011 is 33.5%.

In hotel Industry, both chains and independent hotel have used revenue management (RM) for more than twenty years in many aspects. Many hotels now already have person who take care revenue as a revenue manager or even have set a revenue department for their own hotels or worldwide for independent and chain hotels respectively. The systems also have been applied to use range from simple spreadsheet to sophisticated systems. (Sheryl, 2008)

1.2 Research Questions

There are two problems which this research attempts to answer;

- 1) Do hotels in Chiang Mai use revenue management and have characteristics of organizations that ready to apply revenue management?
- 2) What is relationship between usage and characteristics of revenue management to the type of the hotels in Chiang Mai and comparing with the Centara Hotels and Resorts practices?

1.3 Research Objectives

- 1) To investigate the usage of revenue management in the hotels in Chiang Mai.
- 2) To examine the characteristics of the hotels in Chiang Mai where apply revenue management system.
- 3) To study the relationship between usage and characteristics of revenue management in the type of the hotels in Chiang Mai and comparing with the Centara Hotels and Resorts practices.
 - 4) Summarize the results.

1.4 Significance of the Study

According to the research, there are several advantages as follow:

- 1) Realize the hotels in Chiang Mai where apply RM in the operating and managing in their hotels.
- 2) Acknowledge the hotels in Chiang Mai that have characteristics of RM organizations.
- 3) Understand the relationship between usage and characteristics of revenue management to the type of the hotels in Chiang Mai and compare with the Centara Hotels and Resorts practices.
 - 4) Use of developing framework in operating and managing the hotels.

1.5 Scope of the Study

- 1) Theories and Concepts; there are three main concepts within this research which are six elements of RM usages; hotel revenue centers, data and information, RM tools, RM software, RM team and RM process, seven characteristics of RM organizations; constrained supply, high fixed costs, variable demand, versioning opportunities, perishable inventory, ability to manage differential pricing, and ability to communicate efforts, and concepts of hotel management which is included type of hotels and registered hotels and were compared with the Centara Hotels and Resorts practices.
- 2) Population and samplings; population would be only 53 registered hotels operations in Chiang Mai city were included in this research. (Some of the hotels were part of chains or marketing organizations operating at an international level), and samplings would be 26 registered hotels in Chiang Mai city which were categorized by type of hotels as luxury hotels (Properties in leisure and business locations that provide the ultimate hotel experience for guests who demand the highest standards), superior hotels (Hotels and resorts that offer excellent quality rooms and facilities for both business and leisure), value hotels (Hotels where create a comfortable atmosphere providing excellent value for money), and style hotels (Boutique and historic hotels each with distinctive décor and design characteristics). Moreover, each category was selected by the method of purposive convenience samplings. Therefore a total number of samples of this research were twenty-six hotels, fifty percentage of each category.
 - 3) Timeframe: The data had been collected in May to July 2014.

1.6 Limitation of the Study

- 1) Focusing only 6 elements of hotel revenue management system in term of usage; hotel revenue centers, data and information, RM tools, RM software, RM team and RM process. Moreover, the hotel revenue center was only hotel room which was not included food and beverage operations in this research (the prerequisites are different and the management tools and techniques may be quite specific).
- 2) The surveying area of this study was focused on the hotels where is located in Chiang Mai.

1.7 Theoretical Framework

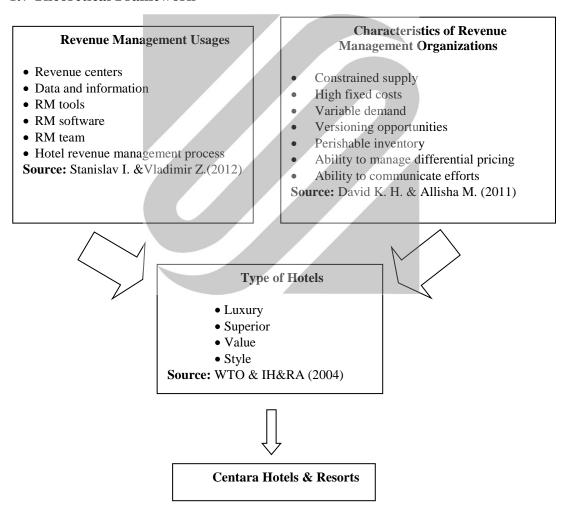


Figure 1.1 Theoretical Framework

The above diagram (Figure 1.1) shows a description of this framework contributes to a research report in two areas (1) identifies theory of six usages elements included in research and seven characteristics of organizations which were ready to apply the revenue management, and (2) clarifies relationships among both usages and characteristics toward the type of hotels were compared with the Centara Hotels and Resorts. The explanation of each theory is stated in chapter 2.

1.8 Definition of Terms

- 1) Revenue Management (RM): Revenue management, also known as yield management, is the process of applying records of historical data and current reservations to predict future demand as accurately as possible to maximize revenue. By understanding the customer's expectation and behavior, successful revenue management can determine market segmentation using a combination of features such as price budget, distribution channels, and service level. Forecasting plays an important role in any revenue management process. Raising the accuracy of forecast could result in better staffing, purchasing decisions, as well as budgeting. (Weatherford & Kimes cited in I-Pei, 2010)
- 2) Usage of Hotel Revenue Management System Elements: The system that consists of four structural elements (data and information, hotel revenue centers, RM software and RM tools), the RM process and the RM team. (Stanislav & Vladimir, 2012)
- 3) Organizational Revenue Management Characteristics: Key characteristics of organizations that can successfully implement revenue optimization strategies. (David & Allisha, 2011)
- 4) Type of hotels: Utell selections segments hotels into three core categories and four niche categories. All hotels are classified in one of the core categories: luxury, superior and value. Hotels can be further identified as one of four niche categories style, resort, apartment or airport, dependent upon the defined category criteria. (WTO & IH&RA, 2004). However, this research will use only three core categories and one niche category (style).

- a) Luxury selection: Properties in leisure and business locations that provide the ultimate hotel experience for guests who demand the highest standards.
- b) Superior selection: Hotels and resorts that offer excellent quality rooms and facilities for both business and leisure.
- c) Value selection: Hotels that create a comfortable atmosphere providing excellent value for money.
- d) Style selection: Boutique and historic hotels each with distinctive décor and design characteristics.
 - 5) Registered hotels: Hotels which have registered with Thai Hotels Association.



CHAPTER 2

LITERATURE REVIEW

This chapter presents an overview of concepts, theories, and previous work on related topics that provide the necessary background for the purpose of this research. The literature review concentrates on usage of hotel revenue management, revenue management characteristics, hotel revenue management, and related previous work of hotel revenue management.

2.1. **Usage of Hotel Revenue Management** Hotel booking request Hotel revenue management system Custome **Impacts** Structural elements Patronage Macroenvironment intentions Data and Hotel revenue information centers Microenvironment Perception of RM fairness RM tools Internal RM software environment RM process RM team Hotel booking elements

Figure 2.1: Hotel Revenue Management System

Source: Stanislav & Vladimir (2012)

The explanations of figure 2.1 are as follow:

Revenue centers

Hotel revenue centers determine the potential sources of revenues for the hotel (room division, F&B, function rooms, spa, fitness, golf courses, casino and gambling facilities, and other additional services) and the capacity of the hotel to actively use

pricing as a revenue generation tool. Hotel RM research up to now has been overwhelmingly focused on the Rooms Division and its related problems — most notably price discrimination and overbookings, among others. However, it is important that the hotel's RM system (Figure 2.1) includes all revenue centers, not only the rooms, because they can significantly contribute to hotel's total revenues and bottom line. For some types of properties (e.g. casino hotels), rooms might even be a secondary revenue source. The fact that besides the rooms the hotel can have additional revenue centers complicates the RM process. Instead of maximizing room revenues only, the revenue managers must now focus on the revenues of the hotel as a whole. (Stanislav & Vladimir, 2012)

On the other hand, in most cases, the additional revenue centers will generate income only if the guests are already accommodated in the hotel (although some guests might use only the additional hotel services without accommodation). In this point, the goal of maximizing room revenues might not be consistent with the total revenue maximization objective. Revenue managers might decrease room rates in order to attract additional guests to the hotel that will subsequently increase the demand for the other revenue centers.

In practice, many hotel chains have long recognized the importance of the additional services as revenue source and have adopted proper RM strategies to generate revenues from them. The RM software used by them is also including the additional revenue centers. However, from this research, the additional revenue centers have been studied as separate units, and not as integrated with the revenue management in the Rooms Division department and event some small and medium size hotels do not have others additional revenue except room. In this regard, in this research will not involve in additional revenue centers.

Data and information

The application of RM requires a lot of data regarding different calculation. The RM system requires information about hotel's future bookings on a daily basis (what types and how many rooms), sale of additional services in the other revenue centers, competitors' rates and strategies, information regarding changes in legislation, special events to take place in the destination and any other

data/information that relates to the demand, supply, revenues and financial results of the hotel.

However, data/information which others research focusing are not much in term of analyses the calculation results such as average daily rate (ADR), revenue per available room (RevPAR), gross operating profit per available room (GOPPAR), occupancy, yield, profit per available room most notably noted by Hoogenboom (as cited in Stanislav & Vladimir, 2012) So this research will examine in this point.

RM tools

According to Stanislav & Vladimir (2012), RM involves the utilization of different RM tools, which we define as instruments by which hotels can influence the revenues they get from their customers. The RM tools can be broadly divided into pricing and non-pricing tools. Non-pricing tools do not influence pricing directly and relate to inventory control (capacity management, overbookings, length of stay control, room availability guarantee) and channel management Pricing tools include price discrimination, the erection of rate fences, dynamic and behavioral pricing, lowest price guarantee and other techniques that directly influence hotel's prices (their level, structure, presentation, and price rules). Nevertheless, pricing and non-pricing tools are intertwined and applied simultaneously – for instance, prices vary not only by room type, lead period or booking rules, but by distribution channel as well.

Non-pricing tools

As Carolyn (2007) said that Capacity Management, the decision of whether to accept or reject an offer to buy; how to allocate capacity to different segments or channels; when to withhold a product from the market and sell at later points in time". Each time a new customer arrives, RM users must decide if they should sell capacity to the current customer today, or hold that capacity for a later arriving, higher paying customer, who may or may not materialize. Firms allocate capacity using allocation algorithms, incorporating the probability of future demand arriving. In other words, in a world of finite supply, a firm wants to sell that supply at the highest profit. This concept is a key part of RM and so we include it within RM technical capability.

Inventory management includes capacity management and control, overbookings and length of stay controls. Capacity management and control and overbookings are the two most influential techniques and, at the same time, most controversial problems discussed in RM.

Capacity management refers to the set of activities dedicated to hotel's capacity control. A distinguish between strategic and short-term (tactical) capacity management decisions. The first include capacity and expansion (e.g. number of rooms), carrying capacity (the optimal use of the physical capacity before tourist's experience deteriorates, e.g. optimal occupancy rate), and capacity flexibility (hotel's ability to respond to fluctuations in demand by changing its capacity). Tactical decisions refer to the set of activities related to managing capacity on a daily basis – work schedules, guests' arrival/departure times, service interaction time, application of queuing and linear programming models to service processes, customers' participation in the service process, etc.

From a narrow perspective, hotel's capacity refers to the Rooms Division capacity only, i.e. the total number of overnights the hotel can serve at any given date. Practically, the hotel can efficiently decrease its room capacity by closing separate wings or floors, or expand it by offering day-let rooms, but in any case room capacity has very limited flexibility as denied by Pullman and Rogers (as cited in Stanislav & Vladimir, 2012). From a wider perspective, hotel's capacity includes also the capacity of the F&B outlets, the golf course, the function rooms and other revenue centers in the hotel that provide greater options for capacity management.

Overbooking occurs when a firm with constrained capacity and sells more units of inventory than they have available. Overbooking can be influenced by noshows and cancellations, available capacity, the anticipated gain, or benefit from overbooking, and the estimated risks of overbooking. In the hospitality & travel industry, particularly hotels, the practice of overbooking requires a fine balance between guest service, operational procedure and revenue optimization. (Alex, Natalie & Tugrul, 2012)

Another non-pricing tool is sales and marketing. In terms of revenue management marketing is defined by Gabor (as cited in Eren, 2011) in a way that marketing is closely related to most facets of revenue management. Revenue

management does not teach (or re-teach) the discipline of marketing, but it builds on most elements of marketing and discusses some of them from the perspective of revenue optimization. In this part marketing strategies of revenue management will be held by explaining four different steps of marketing which are marketing segmentation, market target, market positioning and marketing mix.

Segmentation involves subdividing markets, channels or customers into groups with different needs. It is then possible to deliver a tailored proposition which meet these needs as closely as possible. When presented with the same marketing message, product or price point, each segment should react in a different manner. The aim of segmenting is to group together customers with similar attributes and buying behaviors so that they can be understood, their needs can be recognized and the business understands where they gain value from. If hotels understand who their guests are, and what they expect from the business, the operation can be more effective and efficient at meeting guest needs. (Hospitality Professional Association, 2013)

Market segmentation is one of the most crucial points in revenue management. Market segmentation provides hotels to clarify their customers group and act in customers' expectations way. Hotels should define their customer segment specifically and price strategies should be developed in order to meet customer segment's expectations. Another point in customer segmentation is chances of consumer behavior with trends, technology and new interests.

Gabor (as cited in Eren, 2011) stated that the objective of market targeting is to focus marketing efforts on a group that has the potential to respond to a marketing appeal and that the hotel is best able to serve The Process of evaluating different market segments for targeting should and consider a segment's size and growth potential, as well as its structural attractiveness. Structural attractiveness refers to such issues as age diversity, income brackets, geographic distribution, and whether it is easy to reach the segment through advertising channels.

Target market is a business term meaning the market segment to which a particular good or service is marketed. It is mainly defined by age, gender, geography, socio-economic grouping, or any other combination of demographics. It is generally studied and mapped by an organization through lists and reports containing

demographic information that may have an effect on the marketing of key products or services.

After the process of segmentation the next step is for the organization to decide how it is going to target these particular group(s). There are three targeting options an organization can adopt: The hotel chains can differentiate their market strategies in a way they want. It depends on hotel's management system. The first option in principle is that hotel can implement undifferentiated market strategy which involves one product for a mass group strategy. As hotel chains have a variety of products, such as room, restaurant, spa etc., this strategy is implemented to sell one particular product and service to mass customer segment. Another possibility for hotel chains is differentiated market strategy. This strategy involves deciding to target several segments and develops distinct products/services with separate marketing mix strategies aimed at the different customer groups. The last strategy possibility for hotel chains is concentrated market strategy. In terms of this strategy hotel chains can create their niche market and as a result of niche market strategy they decide their specific one customer segment. Product development and promotion are done according to needs and expectations of this niche group.

Brenda (as cited in Eren, 2011) stated that the key component to revenue management is identifying, understanding, and maintaining the proper market position on a consistent basis. Most managers will agree with that statement, but when business drops, more often than not, all bets are off and rates drop like a lead balloon. Gabor (as cited in Eren, 2011) added that once a hotel differentiates its value proposition, the next step is choosing a positioning strategy. A successful positioning strategy will be based on a set of possible competitive advantages that the hotel identifies. The hosen positioning needs to be communicated to target markets that are defined through segmentation.

Each hotel can decide their most profitable customer group and they can still decide to which customer group will be their main target group in order to get high revenue from them in term of marketing mix management. When hotels target their market group, there are some important factors that they have to take into consideration in order to meet targeted customer segment's expectation. Gabor (as cited in Eren, 2011) stated about factors that the targeted market mix will be

determined based on the individual hotel's capacity, location, classification, bed configuration.

Capacity is explained by Gabor (as cited in Eren, 2011) by taking into consideration big size and small size hotels. And small-size hotels should focus on a key segment of the market that they are suited to target because their marketing mixes management can be a lot simpler than that of larger hotels. He adds that mid-size and large size hotels should focus on inventory allocation strategies as they have bigger market size.

Pricing tools

In the hotel industry the most widely used pricing revenue management tools include price discrimination, dynamic pricing, lowest price guarantee and they have been extensively researched for both individual and group booking requests. (Stanislav & Vladimir, 2012)

In essence, price discrimination means that the hotel charges its customer's different prices for the same rooms and the economic rationale for this are the differences in price sensitiveness of hotels' market segments (e.g. business travelers are fewer prices sensitive compared to leisure travelers and could afford to pay higher prices). Hotel price fences include day of the week, duration of stay, guest characteristics (e.g. belonging to a club, government employee), cancellation, amendment and payment terms, lead period, age. In practical terms the rate fences are integrated into the booking terms and conditions. In order to avoid any claims from customers, these conditions should be completely clear to the customer at the time of booking. (Stanislav & Vladimir, 2012)

One of the integral concepts of pricing nowadays is dynamic pricing said by Palmer &Mc-Mahon-Beattie; Tranter et al. (as cited in Stanislav & Vladimir, 2012). It allows hotels to maximize the RevPAR and yield by of earning a price that reflects the current level of demand and occupancy and amend it according to changes in demand and occupancy rate. By virtue of this, customers frequently pay different prices even when they have one and the same booking details (period of stay, board basis, number and type of rooms) depending on the moment of reservation. In this regard, dynamic pricing is subject to criticism by customers. Nevertheless, from

financial point of view dynamic pricing can provide high profitability, but it should be applied carefully and accompanied with ample information about booking terms and conditions, similarly to price discrimination.

After grouping customers into segments, a firm must set prices for each segment. We define pricing as the process of setting rates to try to extract the optimal revenue from the firm's customers. RM yields higher revenue to firms because of the ability to charge some customers higher prices than others. However, setting prices wisely has never been an easy task. A manager must consider the value of the good to the customers, the competitors' prices, the customer price elasticity's, and many other factors. Many of these variables are either unknown to the firm or constantly changing, thereby increasing the difficulty of setting prices. Regardless of the complexity of pricing, it is a critical element of RM and therefore includes it as one of the constructs of RM technical capability. (Carolyn, 2007)

Upon completion of an accurate forecast, the business is in a position to revisit their tactical pricing approaches. Correct pricing is, without doubt, one of the largest and most critical success factors in an organization's strategy. Revenue management techniques have a large part to play in establishing the "right" price. The primary aim of pricing is to determine the maximum revenue and profit that is achievable through the product or service that you have available for sale, by considering each segments' willingness to pay. This willingness to pay, or price sensitivity, is driven by the value that each consumer places upon the product.

Pricing tactics will then determine how a company can capitalize upon that value perception. Tactics may include price ranking against competitors, market penetration tactics or, the most valuable approach of following market conditions of supply and demand.

Pricing involves both science (dynamically changing prices based on price sensitivity, price ratios, unconstrained demand and remaining capacity) and art (understanding customer segments, their attitudes towards the product and where they place value). This is often referred to as 'pricing discrimination'.(HOSPA, 2013)

RM software

According to Carolyn (2007), practitioners make RM decisions based on huge amounts of data stored, cleaned, and analyzed within an IT system and therefore we include IT as a part of RM technical capability. IT is defined as the hardware, software, and people necessary to configure and maintain information systems in support of the business. Firms must use IT resources well to successfully use RM. Firms are able to segment markets, understand consumers' price elasticity, and allocate capacity more effectively, due in a large part to the data and programs within an IT system. While users must apply their own expertise and adjust system recommendations judiciously, IT facilitates the decision process which relies on detailed analysis of sizable data in RM applications. While it may seem obvious that IT improves RM performance, the impact of IT on performance has been questioned in the past. The term "productivity paradox" has been used often to describe investments in Information Technology unaccompanied by expected increases in. However, some researchers have generally shown that IT capability, when used to enhance and complement firm core competencies, can be a competitive advantage for a firm.

The prevailing literature defines IT capability not only as the physical IT assets, but instead as the physical IT assets, the know-how to maintain and update those assets, and the knowledge to apply those assets to assist in the firm's operations. Using this broader definition of IT capability. Bharadwaj & Ravichandran; Lertwongsatien found that IT capability can provide competitive advantages to firms (as cited in Carolyn, 2007). Whereas the physical assets of IT can be easily imitated, the knowledge to apply IT assets to a specific business are much more difficult to imitate. This research guides us to think of IT as an enabling component of overall firm performance. We incorporate IT as a factor in a successful revenue management system. We are now ready to propose five hypotheses regarding RM technical capability.

The processing of large databases is impossible without appropriate RM software and hotels that employ it gain strategic advantage over those that rely on intuitive RM decisions only. Stanislav & Vladimir (2012) stated that RM software helps RM managers by giving suggestions on price amendments, inventory control

and channel management, but it also influences the decision making process of revenue managers. On the one hand, the software analyses enormous data bases and provides useful forecasts based on the optimization models embedded in it. On the other hand, as Schwartz & Cohen (as cited in Stanislav & Vladimir, 2012) demonstrated, the interface of the software impacts the judgment of revenue managers and their inclination to adjust the computer's' forecasts. However, the ultimate decision lies in the hands of the RM manager and his/her team. Review of related literature shows that RM software and human interactions with it have not received enough attention by scholars.

RM team

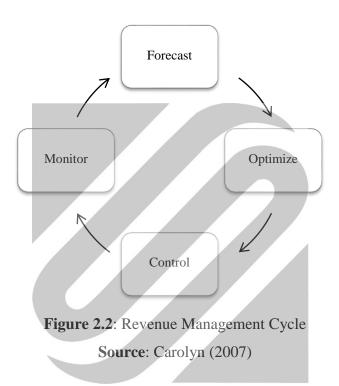
Human resource issues are essential in RM system planning and implementation, Stanislav & Vladimir (2012) agreed that revenue managers and the revenue management team are vital for the success of any RM system.

RM professionals, Sheryl (2008) believed that the most important issues facing revenue management are related to human resources. HR issues such as career path development, training, and hiring and retention strategies were considered to be in major need of improvement. Over 60 percent of respondents identified HR issues as the greatest concern for RM in the future. Asian respondents thought all aspects of revenue management needed more improvement than did managers from North America. This difference of opinion over the need for improving revenue management was significant.RM professionals also indicated their belief that revenue management should be expanded to other hotel departments such as function space, restaurants, and spas. Along that line, expansion of RM was seen as the strongest RM trend. Many respondents talked about the need for a more holistic view of RM. Rather than focus only on maximizing rooms revenue, they thought that RM should be used to maximize total hotel revenue. Finally, respondents expected that RM systems would become more centralized and automated as RM assumes an even larger role within the hotel. This implies that hotels will need to continue to invest in both their RM systems and in the RM professionals who manage them.

In summary, RM professionals and hotel executives should concentrate on improving the human resources activities associated with RM and should begin to

think about how to apply RM to other parts of the hotel. At the same time, they should be thinking of and investing in ways to further automate some of the more routine functions of RM. I plan to conduct this survey on an annual or biennial basis to track changes towards RM over time.

Hotel revenue management process



According to AH&LA (2006), the figure 2.2 showed the revenue management cycle that adapted to four hotel revenue management process's element as follow:

Forecast; revenue management requires forecasting various elements such as demand, inventory availability, market share, and total market. Its performance depends critically on the quality of these forecasts. Forecasting is a critical task of Revenue Management and takes much time to develop, maintain, and implement. Quantity-based forecasts, which use time, booking curves, cancellation curves, project future quantities of demand, such as reservations or products bought. Price-based forecasts seek to forecast demand as a function of marketing variables, such as price or promotion. These involve building specialized forecasts such as market response models or elasticity estimates to predict customer behavior at certain price points. By

combining these forecasts with calculated price sensitivities and price ratios, a Revenue Management System can then quantify these benefits and develop price optimization strategies to maximize revenue.

Optimize; while forecasting suggests what customers are likely to do, optimization suggests how a firm should respond. Often considered the pinnacle of the Revenue Management process, optimization is about evaluating multiple options on how to sell your product and to whom to sell your product. Optimization involves solving two important problems in order to achieve the highest possible revenue. The first is determining which objective function to optimize. A business must decide between optimizing prices, total sales, contribution margins, or even customer lifetime values. Secondly, the business must decide which optimization technique to utilize. For example, many firms utilize linear programming, a complex technique for determining the best outcome from a set of linear relationships, to set prices in order to maximize revenue. Regression analysis, another statistical tool, involves finding the ideal relationship between several variables through complex models and analysis. Discrete choice models can serve to predict customer behavior in order to target them with the right products for the right price. Tools such as these allow a firm to optimize its product offerings, inventory levels, and pricing points in order to achieve the highest revenue possible.

Control; historically you may be able to determine that the demand that you have accepted has only really been controlled by the capacity of the hotel, that is, reservations have only been denied when a night was full. Alternatively, you may know that in some cases, length-of-stay and rate controls were put in place to control the amount and type of demand that you accepted.

Reservation controls can be broken down into two types: strategic controls and tactical controls. Strategic controls can be defined as "rules" or "criteria" that are put in place to govern the conditions and availability of a rate regardless of the specific date of arrival.

Strategic controls are sometimes referred to as "fences," that is, they are put in place to target the rate to a specific type of client and to prevent other clients, who may be likely to pay more, from booking.

Tactical controls can be defined as restrictions that are applied to rates based on specific dates of arrival. Tactically deployed controls would be at work in addition to any strategic controls set on a rate.

When you are putting together an overall revenue management strategy, it is important to remember that manually applying restrictions in the various transaction systems being used is a fairly time-consuming task. If a restriction has been put in place, it is important that its relevance be regularly reviewed to ensure that demand that should be accepted is not rejected. How many days prior to arrival is the majority of transient bookings made? This will provide a guideline as to how far into the future you need to regularly deploy and review reservation restrictions.

Monitor; this stage of the process is when you look at what is happening and compare it to what you expected to happen based on your forecasts.

Monitoring granularity, as with the production of the forecasts themselves, the level of granularity at which you can monitor will depend on the time available; however, it is important to check the performance of your forecasts to ensure that what you expected to happen is, in fact, happening. If it is not, you will need to revisit the optimization decisions that you made and the booking controls that were subsequently applied. If you have been able to calculate booking paces or curves, you can begin to compare those curves to what is actually happening. If you expected 20 bookings to have been taken for a group of market segments 14 days prior to arrival and you have, in fact, only taken five bookings, it is time to examine the forecast and optimization assumptions that you put in place for the day.

The monitoring process should be regarded as an extension of the forecasting process—if possible, the level at which you forecast is the level at which you monitor. Regular and systematic monitoring of demand and the accuracy of forecasts will lead to a greater understanding of the overall dynamics of the demand itself. This proactive activity will help to ensure that as trends and business patterns change, they are identified at a point in time when advantage can be taken of the change as opposed to noticing a change when it is too late and only reactive strategies and tactics can be deployed.

Part of the monitoring process may be for you to assess how accurate your forecast was at given points in time prior to the day of arrival (e.g., the forecast for a

given day was 80 rooms 28 days prior to arrival and the final sold was 120—the forecast accuracy at this point in time was therefore 80/120, 66 percent (there are other ways to measure this too)). Assessing the level of accuracy is important.

2.2 Revenue Management Characteristics

There are many characteristics of organizations which using RM in service industry. The characteristics of hotels that can apply RM are fixed capacity, perishable product, high fixed costs and low variable costs, product can be priced differently, demand evolves, product can be sold in advance, and market can be segmented. (Patrick, 2009) Similar to Weatherford & Bodily (as cited in Kevin, 2005) stated that there are three conditions are generally considered to be necessary for revenue management to be beneficial for a company; perishable product, fixed capacity, and possibility for price-differentiation.

Moreover, Vani, Shweta & Pradip (2008) also agreed that there are three essential conditions for revenue management to be applicable; that there is a fixed amount of resources available for sale, which the resources sold, are perishable. This means that there is a time limit to selling the resources, after which they cease to be of value, and that different customers are willing to pay a different price for using the same amount of resources.

According to Gross (as cited in Elina, 2010), characteristics that should be achieved by using the RM: focus on the price rather than the costs when balancing supply and demand, replace cost-based pricing with market-based pricing, sell to segmented micro markets, not to mass markets, save your products for your most valuable customers, make decisions based on knowledge, not supposition, exploit each products value cycle, continually re-evaluate your revenue opportunities. Furthermore, the focus of the company should not only be on the financial side, the company should pay more attention also to the customers and their wishes, make plans based on to the facts and not just assume something.

Conditions of RM by Eren (2011) highlighted various conditions for a firm to be able to practice revenue management. These are relatively fixed capacity, perishable inventory, reservations made in advance, low marginal costs, variable demand and segmental markets.

However, for this research was followed the characteristics of organization that apply RM by David & Allisha (2010) as follow:

Constrained supply

When a relatively fixed supply of product or service capacity is available to sell, RM strategies can usually be applied. In some industries, inventory levels can be increased in anticipation of increased consumer demand. Thus, for example, an ice cream manufacturer can increase production during the hot summer months when demand is high and reduce production in the colder winter months when demand is reduced. In most service industries, however, revenue managers will encounter either hard or soft supply constraints.

Supply may be constrained due to physical limitations such as the number of chairs in a barbershop, rooms in a hotel, or seats at a concert. It may also be constrained by the duration of use, such as seat hours available in a restaurant, nights stayed in a hotel, or the number of hours spent using the facilities at a water park. In some cases, both physical and time-based constraints are in play. Massages provided by health spas are an easy-to-understand illustration of inventory supply affected by both physical constraints and by time-based constraints. In a typical resort's five-bed spa, the number of massages that can be sold daily is constrained by the number of beds, and thus the number of persons providing the massages, as well as by the length of each massage.

When inventory levels cannot easily be altered in response to increase demand customer centric revenue optimization strategies should be applied. You have learned that even revenue managers managing hard constraint inventory can, over time, expand capacity. Restaurants can expand their dining rooms or add new units. Hotels can add more rooms and a car rental company can make the decision to increase the number of vehicles available to rent at a specific airport location. In most cases, however, the cost of permanently adding this increased supply of inventory is prohibitive. It is typically more cost-effective to become more adept at managing the supply that currently exists.

There is a limited supply only available at that moment in time. This is referred to as "hard supply". The hotel has a fixed number of rooms, the airline has a

fixed number of seats, and the cruise liner has a fixed number of cabins. Soft supply however is a constraint where it may be possible to increase supply to meet demand but that supply may not be at the times or indeed places where the demand is greatest. (HOSPA, 2013)

High fixed costs

A fixed cost, or fixed expense, is one that remains constant despite increases or decreases in sales volume. Variable costs are those incremental, or extra, costs associated with each additional sale. Thus, for example, the restaurateur incurs the fixed costs of rent, utilities, and insurance regardless of the number of guests served. As each additional guest is served, the restaurant incurs the incremental cost of the food and beverages that are sold to the guest.

Revenue optimization strategies work best in industries with relatively high fixed costs. Concert promotion and its associated ticket sales are an easy-to-understand illustration of this. Assume, for example, that a concert promoter reserved the new Yankee's Stadium for a Latin concert featuring singer Jennifer Lopez, Colombian artist Shakira, and Mexican vocal artist Paulina Rubino. The costs incurred by this concert promoter are largely fixed. They include the stadium rental, advertising for the event, and the payments to be made to the artists. The incremental cost incurred by the promoter for each additional ticket holder would be extremely small. In fact, with the additional revenues and profit generated from each ticket holder's likely merchandise, food and beverage purchases, the actual variable cost associated with each additional concert attendee could well be near zero. Note that this is a very different situation from that of the manufacturer who incurs a very real additional cost each time a manufactured item is sold.

If you are an RM whose fixed operating costs are relatively high and your variable (incremental) selling costs are low, you will nearly always be in a good position to manage your inventory in a way that permits revenue optimization.

High fixed costs, this refers to the conditions where there are high fixed costs in providing the product or service that need to be recovered. The costs of operating the airplane, the cruise liner or the hotel are largely fixed irrespective of the number of passengers or guests using them. (HOSPA, 2013)

Variable demand

Idle production capacity cost is often a large but necessary expense incurred by service providers. In restaurants, idle production capacity exists because the overall demand for the services of restaurateurs and hoteliers varies on a predictable basis, RMs can use that predictability to select from among varied customers whose willingness to buy varies as well. For many service businesses, groups of their varied buyers may be combined and viewed as representing a type of supply or distribution channel.

Some of the variance in demand experienced by service providers is time based and quite predictable (for example, the demand variance that regularly occurs because of the hour of the day or day of the week). Other variations in the demand exhibited by a specific supply channel will be unique to that channel or the customer type it attracts.

When demand varies and is predictable, RMs in any hospitality-related service industry can use that information to design pricing programs that segment buyers and provide them with maximum value.

Versioning opportunities

Hotels purposefully create room types with varying amenity levels and price the rooms accordingly. In this way, both price conscious customers and those who prefer to pay more and receive more can both be accommodated. Similarly, it is for this reason that a ticket behind home plate at a professional baseball game sells for more than a ticket for seating in the outfield. Creative revenue managers, however, often can find a number of ways to create versions of their basic product. That is why at least 13 of the 30 major league baseball teams offer "All-You-Can Eat" seats. These seats are usually located in distant outfield or upper-deck sections and, if not effectively priced, often remain empty game after game. For a fixed price, usually ranging from \$30 to \$55, baseball fans can eat as many hot dogs, nachos, peanuts, and soft drinks as they desire. Some teams also offer packages including beer, desserts, and candy.

For nearly any service industry in which variations in the product or service offered for sale exist naturally or can be made available, revenue optimization

opportunities exist. In many cases, innovative RMs can create product versions where their existence is not so readily apparent. Consider the inventive RM newly responsible for pricing tickets to a popular tourist venue such as an historic medieval castle and the extensive gardens attached to it. Historically, all-day admission tickets were the primary product sold to those seeking to visit the attraction.

In the hands of a creative RM, this attraction could be marketed and priced as having three product version alternatives, or zones. The first zone could be the castle itself. The second zone could be the gardens. The third zone could be access to both the castle and gardens.

Perishable inventory

In many cases, when business persons think of product inventory they envision a physical item. It is true that in a retail environment, articles such as two-carat diamond rings, Maytag washing machines, Nintendo Wii consoles, or Jimmy Choo shoes represent tangible products. If any of these products is not sold on a particular day, it can usually be sold for the same price on the next day with no appreciable loss of quality or utility. That is simply not the way inventory must be viewed in the service industries. Fortunately, as author Anthony J. D'Angelo pointed out "You can learn a lot from the people who view the world differently than you do."

Restaurant operators and hoteliers may have traditionally viewed their inventories as consisting of bottles of wine, prime steaks in the cooler, or reserve linen stocks, but savvy RMs in all service industries should view inventory as irreplaceable units of time in which their service is actually available for sale. Effective service-industry RMs sells time, not things.

It is easy to understand that the potential for an hotelier to sell a specific room on a specific night disappears forever if the room is not sold on that night. Viewed from that perspective, the hotelier's inventory is highly perishable because it disappears completely if it goes unsold.

Some restaurant operators regard perishability only as relating to physical products such as fruits, vegetables, and meats that are subject to spoilage. Effective RMs in the foodservice industry, however, recognizes that what most restaurateurs actually sell is the amount of time guests occupy a dining room seat. Thus, it is not the

total number of customers served or even the amount spent by each customer that is of most importance. True revenue optimization results from pricing products in a way that minimizes the number of available seat hours that go unsold each day. In nearly all constrained supply service industries, it is their unique and specialized time-based inventory units that are most perishable and it is the sale of these time-based units that RMs in these industries must seek to optimize.

RMs working in hospitality-related service organizations must first clearly understand their inventory. This includes understanding the perishable nature of that inventory. Whether it is an unsold seat at a concert, an open tennis court time, an unreserved golf tee time, or an empty seat on a tour bus, unsold service inventory perishes immediately. When it does, the opportunity to optimize revenue from its sale perishes as well. Only after RMs understands fully the perishability of their salable products can they design and manage a differential pricing program that minimizes unsold inventory.

Ability to manage differential pricing

Differential pricing is a powerful revenue optimization tool. While that is true, it is also true that as the number of prices to be managed increases, the managerial skill and sophistication required to manage them will increase as well.

Of course, what is complex for one RM may be easy for another. Background, experience, and training can increase the ability of an RM to manage an increasingly complex pricing system. In nearly every case, however, a simple pricing is considerably more useful to an organization than an excessively complex system.

There are several reasons this is true. First, RMs in any service industry (including hospitality) must themselves understand how they arrive at their prices. Computer programs and mathematical models that take data RMs already understand and present that data in a more useful format are helpful. However, the purchase and implementation of highly advanced computer-based pricing programs that simply call for RMs to trust the program without first understanding precisely how it works or its potential impact on customers should be avoided in the same way investors should avoid putting their money into financial institutions or financial instruments they do not understand.

The implementation of an easily understandable and thus manageable pricing system is important for an additional key reason. Simply put, a seller's potential customers need to readily grasp the inherent fairness of that seller's pricing structure if a customer-centric revenue optimization system is to be implemented. If RMs find the pricing systems they employ are excessively complex, their ability to explain these systems to their own front-line employees is significantly reduced. When front-line employees do not understand their organization's pricing systems it is impossible for these key staff members to explain the organization's pricing rational to customers.

Those organizations that manage prices in ways that RMs, employees, and customers believe are just and rationale can succeed in revenue optimization. The organizations that do not utilize differential pricing—as well as those whose pricing systems are excessively complex—will not generally have the same success.

Ability to communicate efforts

Even if a service business possesses each of the characteristics previously identified, its ability to utilize advanced revenue optimization strategies will be limited if it cannot readily communicate those initiatives to its potential customers. This critical communication process must be in place both externally and internally. For example, the hotel RM who reviews forecast information and elects to offer a significant discount for rooms on an upcoming Sunday night must be able to communicate that discount through the hotel's distribution channels. If not, potential customers simply will not know about the price change.

In some service businesses, external signage, the use of a proprietary web site, a customer e-mail list, or traditional advertising may permit direct-to-buyer communication. In other industries, those approaches may not be readily available or may be too slow to be effective.

New customers may be attracted via the external communication of revenue optimization strategies such as discounting, bundling, or versioning, but it is likely those same customers may have detailed questions about the promotional offers upon arrival at the business. For that reason, effective internal communication systems must also be in place for those onsite staff members who will sell directly to buyers.

Consider the real-life example of a hotel guest who, when driving by a hotel property, reads an external sign that proclaims "Ask about our weekday special!" Upon entering the hotel, the guest inquires about the special promotion.

2.3 Hotel Management

Type of Hotels

Utell selections segments hotels into three core categories and four niche categories. All hotels are classified in one of the core categories: luxury, superior and value. Hotels can be further identified as one of four niche categories – style, resort, apartment or airport, dependent upon the defined category criteria. (WTO & IH&RA, 2004). However, this research will use only three core categories and one niche category (style).

- Luxury selection: Properties in leisure and business locations that provide the ultimate hotel experience for guests who demand the highest standards.
- Superior selection: Hotels and resorts that offer excellent quality rooms and facilities for both business and leisure.
- Value selection: Hotels that create a comfortable atmosphere providing excellent value for money.
- Style selection: Boutique and historic hotels each with distinctive décor and design characteristics.

Hotel Revenue Management

According to Christian (2011), at its core, revenue management in the lodging industry is simple – at least in theory. It is about selling the right product to the right customer (the guest), at the right price, at the right time, and for the right length of time. Looking at it another way, it is the honed practice of demand management, executed in a strategic manner. At the other end of the spectrum, it becomes a bit more complicated: Revenue management is the application of disciplined analytics that predict consumer behavior at the micro-market level, and optimizes product availability and price to maximize revenue growth. The reality is somewhere in the midst of the definitions, and while every revenue manager will have individual challenges, there is no doubt that the profession has changed greatly – and rapidly – in

recent years. Early on, in the industry, "revenue management" was basically a front office manager handling inventory control of rooms. Over a relatively short period of time, the practice has evolved from this type of tactical nuts-and-bolts operation to a profession requiring strategic thinking, analysis and execution. For the hotel industry and its employees, the transition takes on particular importance in the development and implementation of both strategy and tactics.

Initial credit for the creation of revenue management goes to the airline industry. BOAC (now British Airways) began experimenting with differentiated fares to help fuel demand for otherwise-empty seats. American Airlines followed suit with what it termed "yield management," focusing on forecasting, inventory control and overbooking management. Its success literally took off with the deregulation of the airline industry in the early 1980s.

The pivotal transition to the hotel industry came when American's then-CEO discussed the yield management methodology with Bill Marriott, CEO of Marriott International. The practice made sense to Marriott, as the hotel chain and airline shared many of the same issues: perishable inventory, advance bookings, low-cost competition and challenges in balancing supply and demand. "Yield" – a term more applicable to the airline industry – became "revenue" in the hotel industry, and "revenue management" was born.

Revenue Management: the art of selling the right room, at the right time, to the right customer, at the right price. Revenue Management is a discipline that has been growing in popularity amongst all the service industries. It derives directly from the so called "Price Discrimination" practice.

Price discrimination occurs when goods or services are transacted at different prices from the same provider. This concept can be studied in every Microeconomics course as a feature of a monopoly market In order to allow this practice in an oligopoly market, such as the airline or hotel industry; it is needed a good collection of critical data together with market segmentation, in order to boost revenue, keeping production steady.

In simple words, having kept the capacity at the same level, firms which have successfully implemented the concept of revenue management, have increased revenue per single unit Revenue management can be used in a wide variety of

industries, as long as \cdot the goods or services are highly perishable (a room or an airplane seat can only be sold today, if unsold, cannot be stored for another day when demand is high) \cdot it is possible to divide the market in different segment (to go back to the concept of price discrimination, I can offer a suite to a wealthy individual, quite a few deluxe rooms to a company organizing a conference for its own managers, and the remaining standards rooms to s Tour Operator for the tourists looking for a bargain) \cdot the number of goods on offer are fixed.

To sum up, the Revenue Management is the process of understanding, anticipating and reacting to consumer behavior in order to maximize revenue or profits.

		Price	
		Fixed	Variable
		Quadrant 1	Quadrant 2
	Predicable	Cinemas	Hotels
		Stadium	Car Rentals
u		Convention Centres	Cruise Liners
Duration			Airlines
Du		Quadrant 3	Quadrant 4
	Unpredictable	Restaurants	Hospitals
		Golf Courses	
		Internet Providers	

Figure 2.3: Applications of RM within the Service Industry **Source**: (HOSPA, 2013)

Revenue management is applicable within most of the service industry, although it can be applied in a variety of ways. As the figure 2.3 illustration shows, the most successful yield management applications are generally found in Quadrant 1 and 2 industries, because they can manage both capacity and customer duration. The other quadrants can all implement RM techniques, but there are undoubtedly greater challenges in these areas due to the unpredictable nature of the guest 'visit'. (HOSPA, 2013)

2.4 Comparison

A best practice is a part of doing the benchmarking technique, but in this research will use case study instead by comparing the interview results of the Centara Hotels & Resorts with the results of hotels in Chaing Mai city.

According to www.travelandtourworld.com (n.d.), it's stated that "With the awards covering the business, conference, leisure and spa categories, and therefore representing a broad customer base, we are proud to see our reputation enhanced as Thailand's leading hospitality brand". Centara had also won multiple awards in the 2013, 2012 and 2011 SmartTravelAsia poll, which is now in its 10th year. Centara Grand at Central World was named in the 2014 awards as being amongst the top 25 business hotels and the top 25 conference hotels in Asia. Therefore this shows why this brand is selected as comparative case.

Moreover, Centara Hotels & Resorts, formerly Central Hotels & Resorts, is a leading Thai hotel chain with nearly 30 years of service to the hotel industry. It's a core business unit of The Central Group of Companies. Centara Hotels & Resorts announced its rebranding on 26 June 2007 from Central Hotels & Resorts to Centara Hotels & Resorts and the Spa business from Centara Spa to SPA Cenvaree.

Mr. Suthikiati Chirathivat, Chairman of the Executive Board of Central Plaza Hotel (Public) Co., Ltd. revealed that this has been discussed for quite a few years and they finally picked their spa name, "Centara" to be new hotel brand. Although "Central" is more famous here in Thailand, especially in retail business, for the hotel's international customer base, it doesn't really reflect "Thai-ness" and the depth and quality of their product and service. However "Centara" does sound more Thai, more exotic, but still links the association with the group -"Cen" from Central which has a reputation for 60 years and "Tara" coming from the Thai language meaning "Water".(www.centarahotelsresorts.com, n.d.)

Three different sub brands under Centara Hotels & Resorts have been created in order to clearly identify and market each hotel. 5 star hotels will be using a sub brand "Grand" in the title for both hotels and resorts. For example, the new hotel in Bangkok will open as Centara Grand & Bangkok Convention Centre at Central World, and Krabi will be renamed Centara Grand Beach Resort & Villas Krabi. Centara Hotels and Centara Resorts will be the name for 4 star properties, of course

the flagging "resort" or "hotel" denotes whether a resort based property, or a city location, respectively. (www.centarahotelsresorts.com, n.d.)

According to Central Plaza Hotel Public Company Limited Annual Report, 2013, it was another very successful year for Central Plaza Hotel Public Company Limited (CENTEL). The company's hotel division, Centara Hotels and Resorts(CHR), achieved record revenue of over Baht 8 billion, a 27% increase over 2012; whereas the food(restaurants) business under Central Restaurants Group Co., Ltd.(CRG) continued to register close to double-digit growth; with revenue of Baht 9.3 billion. The record revenue of the hotel division was the combined result of higher occupancy rate (at 79.6%) and average room rate of Baht 4,384. The excellent trading results of Centara Ras Fushi Resort and Spa Maldives, the company's second resort in the Maldives, which opened in March 2013; also contributed to the revenue of the hotel division; as well as fees from managing hotels owned by others --- of which 26 were operating at end of 2013; with the remaining 24 properties under signed management contracts scheduled to open in 2014 and 2015.

2.5 Related Researches

Development in technology and in particular the innovation of yield management in the 1980s has a positive change in the performance and revenue of the service sector especially in large and international hotel chains. In Ghana a number of studies have been conducted in this area using large hotels. There is no research conducted on yield management implementation in small and medium size hotels. The purpose of the study was to examine the implementation of yield management in Small and Medium Hotels specifically in the Volta Region. Volta Region has high percentage of small and medium hotels in the lodging industry. The results of the study indicated, lack of awareness of yield management principles in small and medium hotels. An important finding was hoteliers were interested in the application and it is necessary to find a yield management implementation model which could be adapted to small and medium hotels in the region. Finally, policies should be made as to the implementation of yield management in small and medium hotels in Ghana. (Esther & Allen, 2013)

Revenue Management (RM) is an important tool with well-accepted benefits and a rich analytical research stream. However, the research is missing a holistic examination that includes both the technical and social elements of effective RM. We propose nine drivers which contribute to effective RM and perform an empirical study to test these conjectures. More specifically, based on qualitative interviews and literature support, we develop a survey instrument tailored to the hotel industry to measure our constructs and apply both an objective and perceptual performance measure to determine the impact each of the nine elements has on RM performance. We find forecasting ability and organizational focus on RM both significantly positively impact RM performance, whether we measure RM performance either objectively or perceptually, providing evidence that both technical and social processes and structure impact RM. (Carrie, Mark & Jeff K, 2011)

Based on a qualitative study of the practice of Yield Management in the hotel industry, and semi-direct exploratory interviews with 27 Paris hotel managers, this study highlights the strong connection between Yield Management and information systems, and stresses the great importance of the role played by the human factor in the establishment and development of an effective Yield Management system. (Noureddine, 2011)

It is still unclear, if independent operators are as successful in applying Revenue Management as large international hotel chains. This exploratory study investigated how prices are determined in Dutch small and independent hotels, contrasting the wealth of RM studies in chain-affiliated hotels. Results show that, besides fixed prices, price determination is either data driven or intuition based. Small, independent hotels are less likely to apply a systems-based and data-driven approach. This gap suggests a potential for developing tools and processes attractive to this industry segment. (Stan, Florian & Alinda, 2011)

Hospitality industries are, like others in the service sector, capacity-constrained; they offer an intangible, perishable, heterogeneous, simultaneous product facing a complex administration. Companies balance supply and demand through the development of management techniques which involve strategic levers such as pricing policies. Yield management maximizes revenues or profits selling hotel rooms, restaurants seats, conference spaces, etc., thanks to price, time, and demand and

inventory units' control. Demand and price management aims to attract customers with various levels of sensitivity to price; this is the topic on which the study focuses. Coastal hotels suffer from unstable and seasonal demand, therefore, revenue management practices like discounted price policies can be considered a determining factor in capturing tourist demand, in particular those leisure potential customers with different attitudes to cost. This paper analyzes the potential of the yield management in improving customer demand in a hotel environment located in Cagliari, a coastal town in the South of Sardinia. The case study was worked out using semistructured interviews, held with hotel managers, as a fundamental tool for data collection. Our findings confirm that pricing policies represent a strategic key in stimulating tourism demand and improving hotel performance together with other variables which can be considered complementary to a good managerial tool like revenue management. (Patrizia, Cristina & Aldo, 2009)

This paper investigates the awareness, self-reported current usage of yield management (YM), as a new technology, in a number of service organizations in the United Arab Emirates (UAE), perceived usefulness of using yield management and to explore to what extent the conditions necessary for the adoption of YM exist in non-users organizations. A sample of 77 individuals from hotels, airlines, and restaurants in the emirates of Abu Dhabi, Dubai, Ras Al-Khaimah, and the city of Al-Ain was used. The results show that the majority of respondents are aware of YM and use it at least moderately. The sources of acquiring knowledge in YM for those who are aware of YM were as follows: practice, training, and reading books and journals. The results also show that respondents perceive that the use of YM influences efficiency, sales, and profitability; improves productivity, competitive advantage, capacity utilization and reduces costs.

Results also show that about 53 percent of the users have been using YM for five years or more and that the conditions required for the adoption of YM exist to some extent for most of the non-users organizations. Limitations, implications, and lines of future research are discussed. (Darwish, 2007)

"Revenue management is the key to making money" (Swedish Hotel Manager). The question is, whether hotels in Sweden practice what they preach. In today's volatile business climate the management of revenue has become an ever

increasing topic, especially for hotels. The growing interest is derived from professional consultants within the hospitality industry operating in Sweden as well as from larger hotel chains operating on a national as well as international market.

There seems to be the misperception that revenue/yield management is the same as simply offering discounted room prices. Further, it is believed that the concept would only be applicable to larger hotels and in market conditions where demand exceeds supply. The system is also linked to a decrease in guest satisfaction, dilution of brand and loss of goodwill.

Having undertaken fieldwork within hotels operating in Sweden, we suggest that in order to overcome the misperceptions and perceived boundaries of yield management, the system must be interlinked with customer, capacity, price, sales and marketing, cost, and human resource management, and that a proactive management style needs to be adopted in order to be financially successful in the long run. (Leyla & Susanna, 2004)

 Table 2.1: Summarize of Related Researches

Order	Authors/ Year	Research Methods	Results
1.	Esther Theresa Appaw-Agbola and Allen K. Agbola, 2013	Qualitative method, interviewed using open ended questions	 The implementation of a good yield management system can increase revenue. Yield management implementation in small and medium hotels in Volta Region is a new area that managers and hotel owners need to be given more education. There is the need for the hotels to develop better information system and become highly technological due changing trends in the hospitality industry.
2.	Carrie C. Queenan, Mark E. Ferguson, and Jeff K. Stratman, 2011	Qualitative interviews	 Forecasting ability and organizational focus on RM both significantly positively impact RM performance. Both technical and social processes and structure impact RM by measuring RM performance either objectively or perceptually.
3.	NoureddineSelmi, 2011	Qualitative, semi- direct face-to-face interviews	 These managers consider that the commitment of the management is very important for the successful implementation of YM system. A Yield Manager cannot properly do his or her work without having YM program. In order to successfully implement YM system, the personnel must be properly trained.
4.	Stan Josephi, Florian Aubke, and AlindaKokkinou, 2011	online survey and questionnaire tool	 A wide variety of approaches are used within the Dutch hotel industry. A gap between chain hotels and independent hotels in the level of sophistication in revenue management decision making. Chain hotels were more likely to have a revenue management system in place.

Source: concluded by author, 2014

 Table 2.1: Summarize of Related Researches (Cont.)

Order	Authors/ Year	Research Methods	Results
5.	PatriziaModica,	Qualitative, case	- The strength of yield management practices
	Cristina Landis,	study, general and	and the importance of different rates for
	and Aldo Pavan,	focused interviews	capturing the price-sensitive leisure segment.
	2009		- Strength of the web site, quality of services,
			innovative design of the building and the
			interiors, customer care typical of resort can
			be considered complementary to a good
			managerial tool like revenue management
6.	DarwishAbdulrah	Quantitative,	- The majority of respondents is aware of YM
	man Yousef, 2007	questionnaire	and uses it at least moderately.
			- The respondents perceive that the use of YM
			highly influences efficiency, sales,
			productivity, profitability, competitive
			advantage, capacity utilization, and costs.
			- 53 percent of the users have been using YM
			for five years or more and that the conditions
			required for the adoption of YM exist to
			some extent in most of the non-users
			organizations.
7.	Leyla Göthesson	Qualitative, semi-	- The areas identified, studied, and analyzed
	and Susanna	structured	do not seem to be evidence that managers
	Riman, 2004	interviews	take on a holistic view, hence a proactive
			management style, but the reactive
			management style still seems to prevail.
			- The external environment is not recognized
			as a tool to influence revenue as actions are
			taken due to changes in the environment.
			- The areas of capacity, price, sales and
			marketing, costs, customers and human
			resource management seem to be more or
			less dealt with as separate units and they are
			not managed to actually influence and/or
			increase revenue specifically.

Source: concluded by author, 2014

CHAPTER 3

RESEARCH METHODOLOGY

Revenue Management (RM) is a technique that enables service industries to understand and predict the behavior of customers to increase their revenue according by Jagels (as cited in Rumaih, 2013). And this method has been used in the hospitality industry. This research is aimed at examining the use of RM within city of Chiang Mai Province. To study RM in these organizations, different methodologies are possible, the method selected needed to rely primarily on empirical evidence. Therefore, it is necessary to discuss the research methodology chosen, especially in regards to the data collection procedures and techniques for analyzing these data.

3.1. Qualitative research

The selection of a research methodology was critical for the success of any study. At first, one should pay attention to the goals of the research. The main objective of this study was explored the using of RM system in the hotels where is located in Chiang Mai, and in particular, to examine the usage and characteristics of hotel RM. Hypothesis was not tested, but it is necessary to trace a relationship between type of hotels and those subjects. For these reasons, this study was relied on the interpretive method because it is beneficial for examining the attitudes, opinions and views of respondents. In this way, this methodology was expected to provide insights into the following research questions:

- 1) Do hotels in Chiang Mai use revenue management and have characteristics of organizations that ready to apply revenue management?
- 2) What is relationship between usage and characteristics of revenue management to the size of the hotels in Chiang Mai?

Thus, the interpretive framework was deemed to best serve the purposes of this research.

According to Jane & Jane (2003), the interpretive paradigm strongly relies on the use of qualitative methods, premised on the assumption that certain social or behavioral phenomena cannot be measured quantitatively. Common qualitative techniques include interviews, focus groups, observation, collection of documented material such as letters, diaries, photographs, collection of narrative, open ended questions in questionnaires (other aspects of are covered in the resource pack surveys and questionnaires). (Hancock, Windridge & Ockleford, 2009) These methods help research to understand people's attitudes and opinions Jane & Jane (2003), which often cannot be measured effectively in a quantitative way.

In this study, structured interview has been selected to provide insight into the opinions, perceptions and ideas of managers who work in the hotels. In particular, the researcher wanted to understand the application of RM and characteristics of hotel RM. By this method was illustrated the applications of RM, it could be possible to identify the common experiences and opinions of hotel managers working in Chiang Mai.

The qualitative approach has several advantages that strongly appeal to researchers working in the hospitality field. It is particularly appropriate in those cases in which a research wants to investigate a certain problem or question from different perspectives. Thus, the qualitative approach has some strengths, one advantage of qualitative methods in exploratory research is that use of open-ended questions and probing gives participants the opportunity to respond in their own words, rather than forcing them to choose from fixed responses, as quantitative methods do. Open-ended questions have the ability to evoke responses that are: meaningful and culturally salient to the participant, unanticipated by the researcher, and rich and explanatory in nature.

Another advantage of qualitative methods is that they allow the researcher the flexibility to probe initial participant responses that is, to ask why or how. The researcher must listen carefully to what participants say, engage with them according to their individual personalities and styles, and use "probes" to encourage them to elaborate on their answers. (Natasha et al., 2012)

This research was focused on only one method (interview) and was used for studying the opinions and attitudes of managers who claim that use the principles of RM. Throughout the data collection and analysis process, the limitations of the method was attended to avoid the potential for bias as much as possible.

3.2. Data Collection Procedures

The data collection procedures is important for any empirical study, because researchers must make sure that their methods can help them to gather relevant and accurate information about people's behavior, opinions and attitudes. This task was particularly relevant for the examination of organizational behavior. Improper methods can be misled the entire study. Qualitative researchers prefer the following techniques: 1) interviews 2) focus groups 3) observation 4) collection of documented material such as letters, diaries, photographs 5) collection of narrative and 6) open ended questions in questionnaires (other aspects of are covered in the resource pack surveys and questionnaires).(Hancock, Windridge & Ockleford, 2009) This research was comprised only interview.

In-depth interview

In-depth interview is one of the most common techniques is used in qualitative studies. A key feature of in-depth interviews is their depth of focus on the individual. They provide an opportunity for detailed investigation of each person's personal perspective, for in-depth understanding of the personal context within which the research phenomenon is located, and for very detailed subject coverage. They are the only way to collect data where it is important to set the perspectives heard within the context of personal history or experience; where delicate or complex issues need to be explored at a detailed level, or where it is important to relate different issues to individual personal circumstances. Hence, this method was deemed highly suitable for this exploratory study. (Jane & Jane, 2003)

Interviewing can, at one extreme, be structured, with questions prepared and presented to each interviewee in an identical way using a strict predetermined order. At the other extreme, interviews can be completely unstructured, like a free-flowing conversation. (Hancock, Windridge & Ockleford, 2009)

In the procedure of the interview, the researcher asks various open-ended questions, and the respondents can share their ideas about the usage of RM and characteristics of hotel RM. In this way, in-depth interviews best corresponds to the needs of this research.

Some challenges may be encountered in implementing the research method that should be mentioned. First, this data collection method is very time-consuming because respondents spoke about a variety of issues and it was not always possible to control the time of the interview. This is the main weakness of a semi-structured interview in comparison with standardized interviews stated by Anderson (as cited in Rumaih, 2013).

It is also necessary to translate the text of the interviews from Thai into English, since some of interviewers were not able to speak English fluently, and the interview was instead conducted in Thai. Therefore, the researcher had to ensure that the translation reflected the ideas expressed by these respondents. It is important to remain objective and unbiased while working with the transcripts of the interview. Finally, an in-depth interview is only beneficial if an investigator has well developed communicative skills. If a researcher does not have these skills, the respondent may not feel comfortable, or may even decide to end an interview. (Anderson cited in Rumaih, 2013) However, some of hotels, the researcher had opportunity to meet the managers before from other research conducting.

3.3 Population and Sampling

Sampling while collecting data for qualitative research is not the same as sampling in quantitative research because researchers are not interested in being able to generalize at a statistical level – instead the key is purposive or strategic sampling. (Hancock, Windridge & Ockleford, 2009)

In qualitative research, only a sample (that is, a subset) of a population is selected for any given study. The study's research objectives and the characteristics of the study population (such as type and diversity) determine which and how many people to select. (Natasha et al., 2012)

According to Natasha et al. (2012), purposive sampling, one of the most common sampling strategies, groups' participants according to preselected criteria relevant to a particular research question. Sample sizes, which may or may not be fixed prior to data collection, depend on the resources and time available, as well as the study's objectives. Purposive sample sizes are often determined on the basis of theoretical saturation (the point in data collection when new data no longer bring

additional insights to the research questions). Purposive sampling is therefore most successful when data review and analysis are done in conjunction with data collection.

Moreover, purposive sampling is precisely what the name suggests. Members of a sample are chosen with a 'purpose' to represent a location or type in relation to a key criterion. This has two principal aims. The first is to ensure that all the key constituencies of relevance to the subject matter are covered. The second is to ensure that, within each of the key criteria, some diversity is included so that the impact of the characteristic concerned can be explored. (Jane & Jane, 2003)

However, Hancock, Windridge & Ockleford (2009) said that it was important to remember that practical constraints are a particular issue in many qualitative research studies (because data collection is time-consuming for example): in practice you may find that many samples are "convenience samples".

Table 3.1: Registered Hotels in Chiang Mai

	City	Total
1.	Maung	53
2.	Maerim	5
3.	Sansai	1
4.	Doisaket	2
5.	Fang	1
6.	Hangdong	2
	Total	64

Source: Thai Hotels Association, 2012

The table 3.1 shows the registered hotels in Chiang Mai Province, and this study was selected the sample by using purposive convenience method which involves the interview of 26 revenue or general managers working in the registered hotels are located in city of Chiang Mai Province to be the sampling from total 53 registered hotels in the city as a population.

Validity and reliability (trustworthiness and dependability)

Validity and reliability must be of concern for any researcher in designing their study and analyzing the results. Specifically, attention should have been paid to the application of the research methods and the interpretation of the data. The concept of reliability means that the results of the research could be replicated if the same study was carried out. Qualitative studies also have to meet certain reliability standards, whereby other research interviewing the same hotel managers might receive similar responses. (Rubin & Babbie cited in Rumaih, 2013)

Overall, business researchers adopt several strategies to increase the reliability of their studies; for instance, they prefer to conduct follow-up interviews during which they ask similar questions. They might also look at the answers provided by the subjects and compare their new findings to the initial ones.

Interviews resemble everyday conversations, although they are focused (to a greater or lesser extent) on the researcher's needs for data. They also differ from everyday conversation because we are concerned to conduct them in the most rigorous way we can in order to ensure reliability and validity (i.e. 'trustworthiness'). This means that both the researchers and the users of the findings can be as confident as possible that the findings reflect what the research set out to answer, rather than reflecting the bias of the researcher, or a very atypical group. In practical terms, this means that our techniques should aim to be: reproducible, systematic, credible and transparent. (MSF, 2007)

Some measures were taken to increase the reliability of findings. For example, a tape recorder may use to record the answers of hotel managers. This strategy is very helpful because in many cases the responses of interviewees can be distorted. Later, this strategy helped to examine the answers of hotel managers in more detail. However, all these participants' answers were written during the interview and all of their answers were repeated back to them to check the accuracy of the information. Further, while looking at the text of the interviews, the researcher attempted to set aside his opinions, values and views of RM.

Moreover, close attention will be paid to the selection of the interviewees, who are going to be selected based on their occupying leading positions in their hotels because it was assumed that they would be aware of the various challenges that their

organizations face and know how RM is applied in their business to maximize revenue and occupancy.

3.4 Data Analysis

Whatever qualitative approach is involved, it is very important to be organized when keeping records of data or reflexive notes or memos, or documents. As in all (qualitative or quantitative) research it is crucial to maintain a good audit trail which could in theory be inspected by others. It is also important to ensure that any saved records are kept in accordance with data protection regulations. This often involves careful anonymisation procedures in labeling digital or analogue recordings or documents and text. All these issues should be discussed within a research team when drawing up the initial research protocol; ethics and research governance bodies will give feedback at an early stage. (Hancock, Windridge & Ockleford, 2009)

Analysis is probably the most important part of any qualitative study. It is aimed at identifying common patterns, themes or responses within the collected data. (Grinnell & Unrau cited in Rumaih, 2013) In this way, a research can draw relevant conclusions and find answers to the questions set at the very beginning.

According to Rumaih (2013), a complicating factor might be have is that most of the revenue and general managers prefer to speak Thai due to their lack of fluency in English. Therefore, it is necessary to translate the transcripts and other data from Thai to English, while ensuring that the managers' meanings must be retained. When analyzing data, the coding approach should help to identify the common categories and themes. This procedure will be essential for identifying the most common ideas that the respondents will express.

3.5 Ethics

Research ethics deals primarily with the interaction between researchers and the people they study. According to Chorlian (as cited in Rumaih, 2013) the activities of researchers can profoundly influence a great number of stakeholders, especially respondents and the organizations that they represent and it is therefore critical to ensure that the rights of every participant are well-protected through a sound ethics process.

As MSF (2007), a researcher has responsibilities to research participants, but also to colleagues, and the people to whom will present your findings. The ethical concerns are the four: autonomy; respect the rights of the individual, beneficence; doing good, non-maleficience; not doing harm, and justice; particularly equity. It is also very important that researcher should take care in how you ask a question and where you choose to ask questions. Two key ethical issues that should be considered in any project are consent and confidentiality.

Consent; everyone who participates in the study should have freely consented to participation, without being coerced or unfairly pressurized. This means they should be well-informed about what participation entails, and reassured that declining will not affect any services they receive. While written consent may in some situations frighten the individuals researcher are talking to, he/ she should at the very least obtain verbal consent.

Confidentiality; it is not always easy or even possible to measure the dangers of a certain context to a given population, let alone to individuals. It is therefore essential to protect the identity of the person from whom you gather information. If collected, the identity of the participants must be protected at all times and not be left lying around in notebooks or un-protected computer files.

In this study, each of the interviewees received an information sheet so they could better prepare for the conversation. It was important for the investigator that each respondent had a good idea about the questions to be asked before the commencement of the interview, to ensure productive communication with managers.

In Additional, the respondents would be assured that their confidential data would not be disclosed to any third parties and that the research would not reveal information that could threaten the competitiveness of their hotel or harm their professional career. Participants were told that the goal of the study was not to discuss a specific hotel or manager. Rather, it was aimed at identifying the general tendencies of Chiang Mai hotelier regarding the use of RM. These issues were addressed before the start of the interview, because in this way it was possible to avoid misunderstanding and to reassure the respondents, allowing them to feel more relaxed.

Consistency between question the purpose (IOC: Index of Item-Objective Congruence)

Discretion of the IOC Group of Experts, it was used alone, it may not normally take five people have commented. This is consistent with the purpose of each question asked or not. The third verse was the answer choices. 1) Make sure that the questions be measured objectively. 2) Not sure, ask questions, be measured objectively. 3) Make sure that the question was not measured objectively.

The researcher had to rate each question was +1 for the answer to that was, a score of 0 for no answer, -1 for sure, and the answer was not exactly sure. Then came a score of each individual expert, divided by the number of experts as there were 5 of them, divide the total by 5 as the IOC's questionnaire (item) requested it.

Example In Question 3 of the 5 members of its expertise each agreed that meets the objectives you wish to ask. It seemed like a scoring total of 5 points + 1 divided by 5 equals 1.0 Professional was the IOC's question was that Article 3.

Since the question of qualified majority to ensure that the objectives, 5 the majority of experts was at least 3 or rating must be at least 3.5 or 0.6 was the lowest IOC to question met the requirements. If you did not meet the research question was to cut out the questionnaire.

This chapter describes the research methods used and the way in which the data will be evaluated and analyzed. This research used semi-structured interview as its main data collection techniques, as part of a qualitative exploratory research method. These techniques were important for the reliability and validity of the study. Further, several steps were taken to protect the confidential data and privacy of the participants. Next chapter will be research findings from the answers of the interviewees (hotels in Chiang Mai) using the qualitative method was discussed in this chapter.

CHAPTER 4

RESEARCH FINDINGS

This chapter presents the findings from coding analyzed of hotel respondents' in Usage of Hotel Revenue Management System Elements and Characteristics of Organization that ready to apply Revenue Management are also presented as follows.

4.1 Data of Respondents

Personal data of the respondents obtained from questionnaires was analyzed and presented in the following tables. Findings from Table 4.1 revealed that major group of respondents were value (35 %) and followed by superior and style (30% each).

Table 4.1 Respondents' Hotel Classified by Types

Types of Hotel	Frequency	Percent
Luxury	1	5
Superior	6	30
Value	7	35
Style	6	30
Total	20	100

Source: concluded by author, 2014

4.2 Findings: Before comparing

Usage of Hotel Revenue Management System Elements

Hotel revenue center

Luxury hotel relied on half of room and half of food and beverage. Superiors relied on room division to generate half of revenue about 80% but the rest focused on food and beverage instead. All of value hotels relied on revenue from room division which was more than 60% and the rest were food and beverage and others. All of style hotels relied on revenue center from room more than 90% in average; the rest were on food and beverage.

Data and information

Luxury and Superior, every hotel had their own system to record the guests' history which was the priority channel that they could get data and information about their market segment, type of customers, and volume of customers in term of reports and raw data. Moreover, trend and expectation of guests some hotel could reach that information by using internet and travel website. All general information, all of values seek from internet website, partner and local association. For customers' information, some of them collect information from their own channel from their parent hotel, some of them went direct to current and new customers to receive some information, some form a group and shared their information to each member. All of styles collect general information about trend of travelers, number of traveler and their expectation from websites and also Tourism organizations. The rest information such guest history or detail of each category of their market segment, some they had their own channel to collect it.

RM tools

Luxury had both pricing and non-pricing tools to support and generate the revenue. Almost of Superiors were using pricing tools to generate and support the revenue management such as promotion. However, about 10% also focused on non-pricing tool to help them to generate the revenue such as CSR and image building which created the good results in long term. All of values were focusing on pricing tools and not even mentioned about non-pricing tools. Almost every tool that they used creates from pricing such as promotion for each season. However, some of them still used some non-pricing tools such as building the brand image. All of styles didn't say about non-pricing tools at all, they focused on only pricing in term of advertising and promotions.

RM software

All of luxury and superior did not have the modern and integrated software that could be provided very good information to support the revenue management like property management software. However, all of them at least had basic program

that help them created the basic reports and information to help them more convenient and look through the overview picture such as Microsoft office. Half of values had some front office software to help supporting the revenue management such as Fidelio, Smartfinder, and Amadeus, but the problem was outdated. The rest of them did not have any software but used Microsoft office to record the guest information. Only one of style had the front office system was called Smartfinder, the rests had only Microsoft office to help them record and generate some basic reports to support the revenue management.

RM team

Luxury had the revenue manager, Directors and GM as the team members of RM team. All of Superior said that revenue team should consist of middle management level until top level like manager, GM until director. And also some said almost every department should be involved in this team. Most of values said that every person and every department should be involved and part of this team. However, management level played the major role for this team. Furthermore, some of them had revenue team but the role was only negotiating with the owner who is only one person to make the decision. RM team consists of GM, MD, owner and room division manager who are the key persons, in all of the style hotel's opinions.

RM team

All of luxury and superior had yearly plan for generating the revenue however the plan would be reviewed in weekly or monthly due to the season factor and external factor that they were faced to such as trends of customers or political issues. Moreover, some of them also mentioned about the procedure that they followed such as planning, doing, monitoring and adjusting. Most of values follow the plan and process that they already set for each year and also adjust some to be updated and the changed the real situation. Some of them shown a bit confusion of revenue management process and service process. Some style hotel did not have RM procedure, some only follow the owner or management level to order, some only had the basic short term process or part of the whole RM procedure to follow.

Characteristics of Organization that ready to apply Revenue Management

Constrained supply or fixed capacity

All of luxury and superior have faced the limited supply only in low season for the room revenue. However, some of them were focusing on food and beverage including the conference and banqueting, so these supplies also limited in some period of time. Some of values said no because they was not faced with full capacity yet. However, some of them shown more understanding even one single room was limited in itself in term of size and number of staying people in each room. All of styles were facing with limited of supply because of characteristic of this type of hotel which normally limited of number of room and were also unavailable available only one small meeting room.

High fixed costs

All of luxury and superior said that utilities expense and payrolls were the high fixed cost for them. Rental, interest and maintenance expenses were another high fixed cost for most of them. All of values said that utilities expense and payrolls were the high fixed costs. The others such as rental, operational fees, and maintenance and supplies expenses were other high fixed costs in some of the hotels. Payrolls, utilities expenses and maintenance expense were the high fixed costs for all of style hotels. Rental expense was another high fixed cost for some style hotel.

Variable demand

All of luxury and superior said that demand of customers were varied in term of different needed and also different period of time. Most of values have were varied of demands in order to seasonal and period of time, but one said that not much varieties because it was focused only one group of people which had small range of demand. Some of style were dealt with this by creating the package for each demand, some were mixed with promotion, and some were played with season instead of single segment.

High Competition

All of luxury, superior, and values located in the city of Chiang Mai and also in business areas, so the competition was high. Some of styles were in the high competition area but some not that high.

Variety of Market Segmentation

All of Luxury and superior had the same general categories of market segment which were FIT, Corporate, and Travel agent. However, in each general category was divided into many sub-categories such as government, local government, charity, education for some of them. Most of values had corporate, FIT, travel agent and government as their general market segments. Only one had only one market segment which was budgeted for the factor. All of styles had the general market segment such as corporate, FIT, and travel agent.

Versioning opportunities

All of Luxury and superior had different type of rooms to offer the customers and each type of room was different from each other in term of size, decoration, and room facilities. Some of them were used for the benefits of the room and scenery to make the different from type to type. All of values had different room types and also size, facilities and floor were made differently. Some adding view and benefits to were made more different from other types. All of styles were used size and room facilities different from their room types.

Perishable inventory

All luxury were updated to the real situation about the inventory daily and also had sudden plan be fulfilled and adjusted the situation in each day. Half of superiors used price to attack the customer in last minute such as discount or increasing the benefit package. Some of them used only long term strategies such as early bird rate, reducing the cost, or even fix and renovate some type of room to match with a new trend and expectation of customers. Some of values used promotion and discount rate to generate more revenue for a single day. The rest was

not much interested in this issue, they focused only the long run strategy such as reducing the cost for low season or renovating some of room type. Moreover, some stores and rooms for emergency case and owners' guests. Most of styles were not had any idea about room perishable, so they did not have any strategy to deal with. Some has only discounting to deal with.

Ability to manage differential pricing

Most of luxury and superior were used seasonal factor to differentiate the rate of each segment and also each room type. Some of them were used volume as the factor to offer the low rate for high volume. Some of values had many room rates due to many factors that they used for dividing their market segment into be matched with their room type such as season, source of customers and types of guests. Most of styles were not had a lot of room types so in each market segment had only few room rates.

Ability to communicate efforts

Up selling was the most skill that was needed for staff to generate more revenue from most of the luxury and superior hotels however, before they could up sell they needed ability of product knowledge which was the most of the hotel also mentioned. Next, the manner and service mind was also important for some hotels that was needed their staffs' ability. Most of values were focused on personal skill such as product knowledge, service mind, and negotiation. Some of hotels mentioned of teamwork skill that were another level of skill that staffs needed. All of styles were focused on language skills and service mind.

4.3 Findings: Comparing with Centara Hotels and Resorts

 Table 4.2 Comparing with Centara Hotels and Resorts

Usage of Hotel Revenue Management System Elements		
Hotel revenue center	Luxury and value's ratio of hotel revenue center was similar to the	
	Centara, but superiors' and styles' were higher than it.	
Data and information	Luxury and Superior were lacked some information that help for	
	supporting the revenue management when compared with the	
	Centara the software and system that the Centara used. On the same	
	hand, value and style were lacked RM information and create a big	
	gap from the Centara.	
RM tools	Luxury was used similarity to both pricing and non-pricing tools	
	supported and generated the revenue with the Centara. Superiors	
	had not balance of both tools yet but still have been used both.	
	However, value and style were focused only pricing tools which	
	were provided the advantage only in short term when compared	
	with the Centara.	
RM software	All of luxury and superior were almost same the Centara as term of	
<i>Y</i>	using the software that supported the RM but not really be modern	
	and integrated software. On the other hand, values and styles were	
	fallen behind the Centara in order to compare with the software that	
	both were used which either outdated or non-integrated.	
RM team	Luxuries was had same members of RM team as the Centara, and	
`	they also had RM manager. Superior, value and style there were	
	someone who ready to be the RM member but the number of person	
	who not ready or understanding of the RM still big.	
RM process	Luxury and superior were had RM process, but were not exactly	
	completed as the Centaras'. Either there were some part of value	
	and style or had not been completed yet.	

Source: concluded by author, 2014

 Table 4.2 Comparing with Centara Hotels and Resorts (Cont.)

Characteristics of Organization that ready to apply Revenue Management		
Constrained supply or Fixed	All types of hotels were had limited supplies as same as the	
capacity	Centara, but only some hotels were not faced with full capacity so	
	they might understand the situation.	
High fixed costs	All types of hotels had the same high fixed costs, but some might	
	have more because of the nature of ownership of each hotel.	
Variable demand	Luxury was almost the same varieties of demand when benchmark	
	with the Centara. However, the superior, value and style might have	
	less varieties of demand as the Centara because of number of	
	market segment for each type of hotel.	
High Competition	All types of hotel are located in the city or business area always	
	have to face with high competition as same as the Centara.	
Variety of Market	All types of hotels had the same general categories of market	
Segmentation	segment which were FIT, Corporate, and Travel agent as same as	
	the Centara. However, in each general category of the Centara was	
	divided into many sub-categories which were 13 market segments	
	in total.	
Versioning opportunities	All types of room were used the same factors to differentiate their	
	own room in term of size, decoration, and room facilities, benefits	
	of the room and scenery as same as the Centara.	
Perishable inventory	All luxury were updated to the real situation about the inventory	
	daily and it was available sudden plan to fulfill and adjust the	
	situation in each day as same as the Centara. Superior, value, and	
	style were used some strategies to deal with this kind of situation	
	which were part of the Centara doing.	
Ability to manage differential	This topic depends on the number of market segments, varieties of	
pricing	demands and also the number of room types for each hotel offering,	
	so luxury and superior were almost the same as the Centara. But the	
	value and style were not available in much ability to manage	
	because of those factors.	
Ability to communicate efforts	All types of hotel viewed in the same direction of the Centara for	
	ability to communicate efforts of staffs.	

Source: concluded by author, 2014

CHAPTER 5

CONCLUSIONS, DISCUSSIONS, LIMITATIONS & RECOMMENDATIONS

5.1 Conclusions

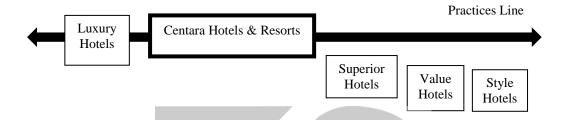


Figure 5.1Comparison between Centara Hotels and 4 types of Hotels in Chiang Mai in term of RM Usages and Characteristics of RM organizations.

In term of usage of hotel revenue management system elements, luxury and value's ratio of hotel revenue center were similar to the Centara, but superiors' and styles' were higher than the Centara. Information and channels that supported the RM shown up at some of luxury and superior and less for values and styles. Balancing of using RM tools was found only for luxury, the rest were not even due to lack of understanding in RM concept of RM team. Every type of hotels were able to produce the basic information from their own basic software or system which might out of date or non-integration, however, RM software still had advantage for every hotels that were readied for using. Luxury was existed in RM team but the rest were not enough and lack persons who were really understand in the RM. Moreover, the RM process was found only luxury and some superiors, but it was not been exactly completed as the Centara's. Value and style were either had some part of it or uncompleted yet.

In term of characteristics of organization that they were readied to apply revenue management, all types of the hotels had limited supplies, but only some hotel were not faced with full capacity so they might understand the situation. The same high fixed costs were shown in every type of hotel, but some may have more because of ownership's nature in each hotel. There was variable demand in every type but more or less was depended on the nature of each type. All types of hotel are located in the city or business area always have to face with high competition as same as the Centara. All types of hotels had the same general categories of market segment which were FIT, Corporate, and Travel agent. However, in each general category of the Centara was divided into many sub-categories which made each type was different. All types of room were used the same factors to differentiate their own room in term of size, decoration, and room facilities, benefits of the room and scenery. Only luxury shown the perishable inventory characteristic, the rest were not really shown. The topic depended on the number of market segments, varieties of demands and also the number of room types for each hotel offering. All types of hotel viewed in the same direction of the Centara for ability to communicate efforts of staffs.

To sum up, (1) All types of hotels already applied revenue management system, only some types lacked understanding in RM concept and also right person in place who could implement it. The process was not completely done. Due to the accuracy and efficiency of information to RM, the software was needed. However, some types of hotel were not chains and small size, they might not have seen the important of the software. (2) In term of characteristics of organization that readied to apply revenue management, all types of hotels were available for those characteristics except the perishable inventory that only luxury was available. (3) Luxury was the type which both readied to apply the RM in term of organization characteristics and was existed RM system, and continuing with superior, value, and style respectively.

5.2 Discussions

The study was obtained four main significance from studying, which were realized that the hotels in Chiang Mai where have applied the RM in the operating and managing in the hotels, acknowledgement of the hotels in Chiang Mai where have been available in) characteristics of RM organizations, understanding in the relationship between usage and characteristics of revenue management to the type of the hotels in Chiang Mai, using of developed framework in operating and managing the hotels.

There were similarity of this research findings when looked back to related researches, RM team needed more education in RM for hotels in small and medium sizes (Esther & Allen, 2013) and supported by Noureddine, 2011 stated that in order to success in implement YM system, the personnel must have been properly trained. Furthermore, Stan, Florian, & Alinda, 2011 said that gap between chain hotels and independent hotels in the level of sophistication in revenue management decision making and chain hotels were more likely to have a revenue management system in place which quite logically when compare this statement to the conclusions of this research that compare the Centara Hotels and Resorts with vary types of hotels in Chiang Mai.

There were some others factors that were involved in this research but were not included) in analysis process as same as Leyla & Susanna, 2004 showed that the external environment was not recognized as a tool to influence revenue as actions were taken due to changes in the environment. However, after conducting the research, a number of other issues were discovered. This was as the result of the comments and suggestions given by the respondents during the interview. The number of non-registered hotel and home stay that showed up as the competitors with count as an unfair competition. Price war still is the issue that hard to deal with due to lack of corporation in term of policy and concerned organizations.

5.3 Limitations of the Study

All of the mentioned reasons lead to the samples were not collected as expectation (26 hotels). This made it was difficult to generalize this study. In addition, lack of time available for each hotel to interview was not an easy task to collect clarify answers for single open question. There were several limitations to this study as follow:

- 1. The sample was focused just only in city of Chiang Mai, Thailand.
- 2. Some of the interviewees the hotel which might lack of same part of knowledge about RM.
- 3. Most of luxury hotel type refused to be interviewed due to the confidential of their information.

5.4 Recommendations

Recommendations of the Study

- 1. This study could be further improved if the sample was not enough.
- 2. The connection of author or the assessment to reach the high rank position of interviewees might be needed to easy get the corporation and accuracy answers.
- 3. This topic is quite new in Thailand and not many references are found. Therefore, in any aspect of revenue management in hotels still is needed.

Recommendation of areas for further study

- 1. The area of how the practice of RM may affect guest satisfaction should be investigated. As the base of RM is about knowing and understanding each customer's needs, wants and willingness to pay, this should give an opportunity to increase guest satisfaction. Hence, the guests' perspective on RM could possibly play an important role in the future development of RM.
- 2. More research and literature with the Asian market as a base as well as literature in Thailand is clearly underrepresented today. If revenue is to be managed effectively and RM implemented, there is a need for Thai literature in order to make the concepts applicable for Thai businesses and their employees.
- 3. There has to be an opportunity for managers at different levels to learn and overcome the current misperceptions about RM.

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APPENDIX A INTERVIEW QUESTIONS

Usage of Hotel Revenue Management System Elements

การใช้องค์ประกอบต่างๆในการจัดรายได้ของโรงแรม

• Hotel revenue center ศูนย์รายได้ของโรงแรม

Which centers (departments) of your hotel generate revenue the most? If more than one, what is the ratio of them?

สุนย์ (หน่วย) ใหนของโรงแรมของคุณสร้างรายได้มากที่สุดหากมีมากกว่าหนึ่งอัตราส่วนเท่าไหร่

Data and informationข้อมูล

What kind of data and information that your hotel uses to generate and support the revenue? And what channels that you collect those data and information from? ข้อมูลอะไรที่โรงแรมของคุณที่ใช้ในการสร้างและสนับสนุนรายได้และช่องทางที่คุณเก็บข้อมูลเหล่านั้นมาจากไหน

• RM tools เครื่องมือในการจัดการบริหารรายได้โรงแรม

What kinds of revenue management tools (Non-pricing and pricing tools) that your hotel uses to generate and support the revenue? If both, what ratio of them? เครื่องมืออะไร (ที่ใช้ราคากับไม่ใช้ราคา) ที่โรงแรมของคุณที่ใช้ในการสร้างและสนับสนุนรายได้หากใช้ทั้งสองอัตราส่วนเท่าไหร่

RM software ซอฟต์แวร์การจัดการบริหารรายได้โรงแรม

Do you have any software that supports you to generate the revenue? If yes, please describe. คุณมีซอฟแวร์ที่สนับสนุนให้คุณสามารถสร้างรายได้ใหมถ้ามีโปรคอธิบาย

• RM teamทีมการจัดการบริหารรายได้โรงแรม

Who and how many people that involves in revenue management for your hotel? ใครและจำนวนเท่าใหร่ที่เกี่ยวข้องกับการในการจัดการรายได้สำหรับโรงแรมของคุณ

• RM processกระบวนการการจัดการบริหารรายได้โรงแรม

Do you follow the revenue management process? If yes, how do you do? If no, why not? คุณทำตามกระบวนการบริหารจัดการรายได้หรือไม่ถ้าใช่คุณทำอย่างไรถ้าไม่มีทำไมไม่มี

Characteristics of Organization that ready to apply Revenue Management

ลักษณะขององค์การที่พร้อมจะใช้การบริหารจัดการรายได้

• Constrained supply or(Fixed capacity) อุปทานที่จำกัด

Does your hotel have a fixed capacity of number of rooms, function rooms, and F&B outlet to serve guest in a certain amount? Please explain.โรงแรมของคุณมีความจำกัดของจำนวน ห้องพัก, ห้องจัดเลี้ยงและอาหารและเครื่องดื่มที่จะให้บริการแขกในปริมาณที่แน่นอนหรือไม่โปรดอธิบาย

• High fixed costs มีค่าใช้จ่ายที่คงที่สูง

Does your hotel have high fixed costs through the operation of your hotel? List out 4 of them. โรงแรมของคุณมีค่าใช้ง่ายคงที่สูงโดยผ่านการคำเนินงานของโรงแรมของคุณหรือไม่บอกมา 4 ตัวอย่าง

Variable demandอุปสงค์ที่เปลี่ยนแปลงได้

Does your hotel handle varied demand of each Market segment in each period of time? Please explain. โรงแรมของคุณมีการจัดการกับความต้องการที่แตกต่างกันของกลุ่มตลาดลูกค้าในแต่ละช่วงเวลาใช่ ใหมโปรดอธิบาย

• High Competitionมีการแข่งขันสูง

Is your hotel located in High competitive area? โรงแรมของคุณตั้งอยู่ในพื้นที่ที่มีการแข่งขันสูงหรือไม่

Variety of Market Segmentationความหลากหลายของการแบ่งส่วนตลาด

Is your hotel accommodated more than 4 Market segment? Please explain.

โรงแรมของคุณมีการแบ่งส่วนตลาคลูกค้ามากกว่า 4 กลุ่มหรือไม่โปรคอธิบาย

• Versioning opportunities โอกาสในหลายแบบ

How many room types do you have? What are the differences in each of room types to help generating revenue to hotel? คุณมีห้องพักกี่ประเภทมีอะไรบ้างและแตกต่างกันอย่างไร

• Perishable inventoryสินค้าคงคลังที่เก็บไว้ไม่ได้มีอายุที่แน่นอน

One of hotel room character is perishable inventory; do you have any plan in creating demand to fill in that perishable inventory in time? Please explain.หนึ่งในลักษณะของห้องพัก คือเป็นสินค้าที่เก็บไว้ไม่ได้มีอายุที่แน่นอนคุณมีแผนใดๆในการสร้างความต้องการที่จะเติมเต็มกับสินค้าคงคลังเหล่านี้ได้ทันเวลา หรือไม่โปรดอธิบาย

• Ability to manage differential pricingความสามารถในการจัดการการกำหนดราคาที่แตกต่าง

How many types of room rates do you have in each Market Segment? How can you categorize your room rate? When is the appropriate time should you manage applying differential pricing from others? What would you do? ราคาห้องพักมีกี่ชนิดในแต่ละส่วนแบ่งตลาดคุณ จัดกลุ่มแบ่งชนิดของราคาห้องอย่างไรเวลาใดที่เหมาะสมที่สุดที่คุณสามารถจัดการประยุกต์ใช้ราคาที่แตกต่างจากผู้อื่นคุณทำอย่างไร

• Ability to communicate effortsความสามารถในการสื่อสาร

What types of skill required to front desk staff, Reservation, Sales Person, F&B Staff, Room maid, spa officer and others to convey all kind of service which generates revenue from customer?ทักษะอะไรที่จำเป็นให้กับพนักงานโรงแรมในแผนกต่างๆเพื่อนำแสนอการให้บริการซึ่งจะ สามารถสร้างรายได้จากลูกค้า

APPENDIX B LETTER OF CONDUCT RESEARCH

APPENDIX B

LETTER OF CONDUCT RESEARCH

Information Sheet

Overview

Research is conducted as partial requirement for the Master Degree of Tourism and Hospitality. This project requires the researcher to conduct research on his thesis through two techniques (surveys and interviews).

What is this research project about?

This research is to investigate how revenues is managed by Chiang Mai hoteliers and what the general practices are within the six elements of RM usages; hotel revenue centers, data and information, RM tools, RM software, RM team and RM process, seven characteristics of RM organizations; constrained supply, high fixed costs, variable demand, versioning opportunities, perishable inventory, ability to manage differential pricing, and ability to communicate efforts, and concepts of hotel management which is including size of hotels and registered hotels.

What will you have to do and how long will it take?

In most cases, the researcher will want to either interview you or have you complete a survey questionnaire (or, in some cases, both). This should take about 30-40 minutes in most cases and the survey about 5-10 minutes. The researcher may ask for relevant documents or sources accessible for this research. The interview may be recorded. You will be asked to give consent prior to the interview, and maybe asked to also give consent at a later stage.

What will happen to the information collected?

The information collected will be used primarily by the researcher to write a research report for the thesis. It is possible that articles and presentations may be the outcome of the research. Only the researcher and supervisor (if applicable) will be privy to the

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notes, documents, recordings and the paper written. Afterwards, notes, documents

will be destroyed and recordings erased after one year. The researcher will keep

transcriptions of the recordings and a copy of the paper but will treat them with the

strictest confidentiality. No participants will be named in the publications and every

effort will be made to disguise their identity.

Declaration to participants

If you take part in the study, you have the right to:

• Refuse to answer any particular question.

• Ask any further questions about the study that occurs to you during your

participation.

Be given access to a summary of findings from the study when it is concluded.

Who's responsible?

If you have any questions or concerns about the project, either now or in the future,

please feel free to contact:

Researcher: ChanvitJatuprayoon

Stamford International University and Payap University Chiang Mai

Department of Tourism and Hospitality

Mobile No.: +66 0850354933, Email: jchanvit@yahoo.com



APPENDIX C INTERVIEW RESULTS

Usage of Hotel Revenue Management System Elements

Table C1 Hotel revenue center

Types of Hotels	Answers	Which centers (departments) of your hotel generate revenue the
		most? If more than one, what is the ratio of them?
Luxury	L 1	Room/ F&B/ Banquet (5,3,2)
Superior	S 1	Room/seminar/ conference, 70:20:10
	S 2	room 70% F&B30%
	S 3	room 50 % F&B 50 %
	S 4	Room: F&B, 70:30
	S 5	Room 50% F&B 35% Other 15%
	S 6	Room: F&B, 70:30
Value	V 1	local conference, rooms, F&B 60:40
	V 2	Service apartment +Room +transport+ F&B + (OTA, Room service,
		banquet+ (electricity bill + cleaning) call conference + coffee
		shop)
	V 3	Only Room
	V 4	100% room
	V 5	The hotel has reasonable room rate and convenient for service. For
		F&B, convenience store service, meeting room (1000 Pax) There
		are 500 rooms and 3 buildings which is convenient for the
		customers. They are part of making the revenue of the hotel.
	V 6	F&B departmentinternal connection center
	V 7	Room 70% F&B 30%
Style	ST 1	Room (Agoda 60% Booking 35% other 5%)
	ST 2	room 80%, F&B 10% Spa 5%, other services such as transportation,
		minimart and cloth wash 5 % together
	ST 3	Front office 100%
	ST 4	Rooms, Restaurants, Tours: 70:25:5
	ST 5	Rooms
	ST 6	Room only

Table C2 Data and information

Types of Hotels	Answers	What kind of data and information that your hotel uses to generate
		and support the revenue? And what channels that you collect those
		data and information from?
Luxury	L 1	nationality, business trend, market segment report from system last
		year
Superior	S 1	Human resource and sales department collect information from MS office.
	S 2	EPOS transfer to excel. collect from account department
	S 3	Association, share information about the hotel, tripadvicer +website
	S 4	history data from recorded in the system Revenue generating report
		Easy yield Monthly business report
	S 5	History data: recording system, Competitors data: marketing research
	S 6	History data: recording system, Competitors data: marketing research
Value	V 1	TTT/ comment tripadviser, Direct customer
	V 2	People skills, Non-government org. visit customers, join partner
		into a group, Tourism business association
	V 3	chain hotel support the data for every single hotel
	V 4	internet (website and magazine) visiting the current and new
		customers to get the customer volume for room forecast
	V 5	Information that is useful for the hotel is the location of the hotel. it
		is located near the CM zoo and DoiSutep and 10-15 min from the
		airport. It is also on the way to the 700 year stadium and other tourist attractions.
	V 6	Personal contact through the organizer of meeting, hotel, channels
		to collect info: call by phone, email, face to face inspection
	V 7	website, Participating in state meeting having event in different
		occasions
Style	ST 1	Websites, hotels websites, comments from booking, Different medias. Associations in the country

Table C2 Data and information (Cont.)

Types of Hotels	Answers	What kind of data and information that your hotel uses to generate
		and support the revenue? And what channels that you collect those
		data and information from?
	ST 2	1. Information of the needs and wants of the customers for
		example, the extra needs for other services that we don't have. We
		can take this information to add services.
		2. service measurements from other hotels as a information data
	ST 3	Website, agency online website> starting with announcement
		through different channels to the tourist can know about us. agency
		online> presenter and medium of selling
	ST 4	TTT, country GDP, and News
	ST 5	Website
	ST 6	Website
Table C3 RM	tools	
Types of Hotels	Answers	What kinds of revenue management tools (Non-pricing and
Types of Hotels	Answers	What kinds of revenue management tools (Non-pricing and pricing tools) that your hotel uses to generate and support the
Types of Hotels	Answers	
Types of Hotels Luxury	Answers L 1	pricing tools) that your hotel uses to generate and support the
		pricing tools) that your hotel uses to generate and support the revenue? If both, what ratio of them?
		pricing tools) that your hotel uses to generate and support the revenue? If both, what ratio of them? always keep an eyes on the trend and update and create new
Luxury	L 1	pricing tools) that your hotel uses to generate and support the revenue? If both, what ratio of them? always keep an eyes on the trend and update and create new promotion to match those trends
Luxury	L 1 S 1	pricing tools) that your hotel uses to generate and support the revenue? If both, what ratio of them? always keep an eyes on the trend and update and create new promotion to match those trends 100% pricing tool
Luxury	L 1 S 1	pricing tools) that your hotel uses to generate and support the revenue? If both, what ratio of them? always keep an eyes on the trend and update and create new promotion to match those trends 100% pricing tool No. RM tool program. We mainly use manual means Used for forecast from EPOS system
Luxury	L 1 S 1 S 2	pricing tools) that your hotel uses to generate and support the revenue? If both, what ratio of them? always keep an eyes on the trend and update and create new promotion to match those trends 100% pricing tool No. RM tool program. We mainly use manual means Used for
Luxury	L 1 S 1 S 2	pricing tools) that your hotel uses to generate and support the revenue? If both, what ratio of them? always keep an eyes on the trend and update and create new promotion to match those trends 100% pricing tool No. RM tool program. We mainly use manual means Used for forecast from EPOS system NON price: CSR and image Price: promotion / booth
Luxury	L 1 S 1 S 2 S 3 S 4	pricing tools) that your hotel uses to generate and support the revenue? If both, what ratio of them? always keep an eyes on the trend and update and create new promotion to match those trends 100% pricing tool No. RM tool program. We mainly use manual means Used for forecast from EPOS system NON price: CSR and image Price: promotion / booth Pricing tools- promotion in low season Pricing tools- promotion in low season
Luxury	L1 S1 S2 S3 S4 S5	pricing tools) that your hotel uses to generate and support the revenue? If both, what ratio of them? always keep an eyes on the trend and update and create new promotion to match those trends 100% pricing tool No. RM tool program. We mainly use manual means Used for forecast from EPOS system NON price: CSR and image Price: promotion / booth Pricing tools- promotion in low season
Luxury	L1 S1 S2 S3 S4 S5	pricing tools) that your hotel uses to generate and support the revenue? If both, what ratio of them? always keep an eyes on the trend and update and create new promotion to match those trends 100% pricing tool No. RM tool program. We mainly use manual means Used for forecast from EPOS system NON price: CSR and image Price: promotion / booth Pricing tools- promotion in low season Pricing tools- promotion in low season History data: recording system, Competitors data: marketing
Luxury Superior	S 1 S 2 S 3 S 4 S 5 S 6	pricing tools) that your hotel uses to generate and support the revenue? If both, what ratio of them? always keep an eyes on the trend and update and create new promotion to match those trends 100% pricing tool No. RM tool program. We mainly use manual means Used for forecast from EPOS system NON price: CSR and image Price: promotion / booth Pricing tools- promotion in low season Pricing tools- promotion in low season History data: recording system, Competitors data: marketing research
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Luxury Superior	S 1 S 2 S 3 S 4 S 5 S 6	pricing tools) that your hotel uses to generate and support the revenue? If both, what ratio of them? always keep an eyes on the trend and update and create new promotion to match those trends 100% pricing tool No. RM tool program. We mainly use manual means Used for forecast from EPOS system NON price: CSR and image Price: promotion / booth Pricing tools- promotion in low season Pricing tools- promotion in low season History data: recording system, Competitors data: marketing research Non-Price: Image-> Christian org, Advisor, old customers Pricing- promotion/Room only, agoda/ booking 60:40

Table C3 RM tools (Cont.)

Types of Hotels	Answers	What kinds of revenue management tools (Non-pricing and
		pricing tools) that your hotel uses to generate and support the
		revenue? If both, what ratio of them?
	V 4	Pricing tools depend on the category of the customers and its
		volume if intensive, consider case by case (room type and full
		board) OTA parity pricing
	V 5	Pricing
	V 6	1. hotel facilities: room, function-meeting rooms, restaurant 60:40
		2. hotel staff service
		3. computer to collect data
	V 7	Price: Decoration price, maintenance and improve products to
		have quality, convenience services. Non-prices: service mind
Style	ST 1	magazine publisher, Agoda 80:20
	ST 2	Staffs are suitable tool and easy to manage, right place right
		person is important to generate the revenue and hotel's
		development, and To promote and have promotion and hotel
		information but finally price is involved
	ST 3	Staff with experience and use experiences very well.
	ST 4	walk in 30 percent online market 50 percent corporate 10 percent
		Agency 10 percent
	ST 5	Promotions and advertisement
	ST 6	Sales promotions

Table C4 RM software

Types of Hotels	Answers	Do you have any software that supports you to generate the
		revenue? If yes, please describe.
Luxury	L 1	n/a
Superior	S 1	No
	S 2	No, We do manually
	S 3	Smart finder> forecast
	S 4	Excel
	S 5	No
	S 6	Microsoft office

Table C4 RM software

Types of Hotels	Answers	Do you have any software that supports you to generate the revenue? If yes, please describe.
Value	V 1	Fidelio + Micros (update)
	V 2	EPOS (not updated), Market segment, account, History (1 year),
		Housekeeping task Complete process
	V 3	smart finder
	V 4	Not really (internet and online)
	V 5	n/a
	V 6	Yes, we do have a software to support our revenue, "Amadeus"
		program to keep record, check in and checkout, accounting
	V 7	use, extranet, agoda, booking.com
Style	ST 1	Manual + Excel
	ST 2	Excel
	ST 3	we use a readymade program for the hotel stock which is Amadeus
	ST 4	smart finder
	ST 5	n/a
	ST 6	Manual

Table C5 RM team

Types of Hotels	Answers	Who and how many people that involves in revenue management
		for your hotel?
Luxury	L 1	revenue manager and director of sales and marketing
Superior	S 1	sales department room department
	S 2	GM
	S 3	reservation + sales + account and management level
	S 4	Revenue manager, director of sales, EAM, FO manager, Director
		of finance
	S 5	Director of sales Room division manager F&B manager
	S 6	sales and room department
Value	V 1	Owner makes the decision Sales and FO manager
	V 2	F&B/sales / Accountant Room
	V 3	Managers, secretary, reservation, sales, audit, internet marketing

Table C5 RM team (Cont.)

Types of Hotels	Answers	Who and how many people that involves in revenue management
•		for your hotel?
	V 4	every department can be part of RM in term of sales however, sales
		and marketing are the one that priority response for this the rest
		would be supporting
	V 5	1. Marketing 4 people 2.reception 8 people 3. Others 10 people 4.
		F&B 8 people
	V 6	1. Sales department 6 persons 2. Food and beverage department 9
		person 3. Front office department 9 person 4. Accounting
		department 7 person
	V 7	Every department has a part of making the revenue, but the main
		department is the sales and marketing. There are 4 people at
		Chiang mai hill. 2000
Style	ST 1	GM ,assistance and owner
	ST 2	Owner and GM
	ST 3	owner, manager, sales office, front office
	ST 4	Reservation 1 GM 1 FO manager 1
	ST 5	Managing director
	ST 6	Owner and Gm

Table C6 RM process

Types of Hotels	Answers	Do you follow the revenue management process? If yes, how do
		you do? If no, why not?
Luxury	L 1	yes, brief the updated information to the team members and
		monitoring
Superior	S 1	Yes just follow the plan
	S 2	yes, dynamic Pricing according to demand +supplier by demand
		and supply we try to look at the whole city. We use different types
		of promotion to generate maximum revenue for different period.
	S 3	there is planning + brainstorming+ weekly
	S 4	following by meeting to review the plan weekly

Table C6 RM process (Cont.)

Types of Hotels	Answers	Do you follow the revenue management process? If yes, how do
		you do? If no, why not?
	S 5	Yes; Set up annual budget & business plan the direction of RM by
		Revenue center (Room Division, F&B, and sales department
		Monitoring and reviewing monthly and Quarterly
	S 6	following by meeting to review the plan weekly
Value	V 1	Follow the annual plan
	V 2	Budget plan +Action Plan +follow that plan (June) start 1 Nov.
		(sub Plan) +activity There are always changes
	V 3	use marketing strategy to maximize the revenue by getting the data
		about market channel, target markets and sales technique and
		methods and making relationship in long term with both big and
		small organizations and also travel agent
	V 4	Planning and forecasting by managers which targeting in each
		department and brainstorming to adapt and review the plan every
		week for meet the targets
	V 5	The room revenue forecast of each year is the most important
		process. For the marketing of the hotel and including the
		management of the different departments of the hotel. If the room
		rates estimation and the revenue of the get to where we want, then
		we will use it to calculate the expenses and profit.
	V 6	Yes, we do follow the revenue management process. 1
		reservation>check in>check out> Accounting
	V 7	There is a revenue management process. In the low season, there
		are promotions to promote selling and renovation of the products
		The product should always be new and trendy. Updated and
		developing the potential of staffs in term of service skills
Style	ST 1	None, really don't have written plan
	ST 2	yes, we follow the management process and plan
	ST 3	staff working by following the SOP procedure
	ST 4	YES read from daily, cash, and marketing reports
	ST 5	managing from the higher management
	ST 6	Just follow the plan

Table C7 Constrained supply or fixed capacity

function rooms, and F&B outlet to serve guest in a certain amount? Please explain. Luxury L1 No as per the hotel location and guests' demanding the hote facilities are enough for our guests Superior S1 Room 1-3 Pax, Sound technician for meeting room 30-200 Pax S2 No, we use one of the largest conference hotels in Chiang mai There are fixed number of people we can serve. But the number is large enough that it is quite flexible. S3 there are 6 function rooms Yes, normally in high season and function room max. 150 pax Yes, number of meeting rooms S6 Number of restaurant and function room V2 types standard 126 (bigger bed) Deluxe 75, and 1 function room the size of the rooms, the moderns of the room (air con) V3 Yes, the hotel has 80 rooms, 1 rest and 1 meeting room keep current customers and find the new one to generate the revenue V5 There is no fixed capacity; we can receive 1200 people per day For the events and food, we use measurement for the managemen of the service users in the banquet hall and restaurants. V6 Yes we do have 200 rooms but the functions rooms can provide over 1,000 people. It is the guest needs to stay and have a meeting We must have at least 500 rooms to support. The restaurant is too small maximum 150 seat at full capacity of hotel guest is 200 seat excluding who have meeting V7 Yes, only 200 rooms and 400 pax meeting room's capacity Style ST1 Yes, room and F&B outlets ST2 Since we are small sized hotel with 28 rooms and others such a dining rooms for 100 people, we cannot provide a conference of	Types of Hotels	Answers	Does your hotel have a fixed capacity of number of rooms,
Luxury L1 No as per the hotel location and guests' demanding the hote facilities are enough for our guests Superior S1 Room 1-3 Pax, Sound technician for meeting room 30-200 Pax S2 No, we use one of the largest conference hotels in Chiang mai There are fixed number of people we can serve. But the number is large enough that it is quite flexible. S3 there are 6 function rooms Yes, normally in high season and function room max. 150 pax Yes, normally in high season and function room max. 150 pax Yes, number of neeting rooms Number of restaurant and function room Yalue V1 2 types standard 126 (bigger bed) Deluxe 75, and 1 function room the size of the rooms, the moderns of the room (air con) V3 Yes room only V4 Yes, the hotel has 80 rooms, 1 rest and 1 meeting room keep current customers and find the new one to generate the revenue V5 There is no fixed capacity; we can receive 1200 people per day For the events and food, we use measurement for the managemen of the service users in the banquet hall and restaurants. V6 Yes we do have 200 rooms but the functions rooms can provide over 1,000 people. It is the guest needs to stay and have a meeting We must have at least 500 rooms to support. The restaurant is too small maximum 150 seat at full capacity of hotel guest is 200 seat excluding who have meeting V7 Yes, only 200 rooms and 400 pax meeting room's capacity Style ST 1 Yes, room and F&B outlets ST 2 Since we are small sized hotel with 28 rooms and others such a dining rooms for 100 people, we cannot provide a conference of seminar service for 200-300, because we don't have room or space ST 3 2 units, 1 restaurant, 1 Area for banquet ST 4 YES 56 rooms serve only breakfast			function rooms, and F&B outlet to serve guest in a certain amount?
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Style ST 1 Yes, room and F&B outlets ST 2 Since we are small sized hotel with 28 rooms and others such a dining rooms for 100 people, we cannot provide a conference of seminar service for 200-300, because we don't have room or space ST 3 2 units, 1 restaurant, 1 Area for banquet ST 4 YES 56 rooms serve only breakfast			excluding who have meeting
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ST 3 2 units, 1 restaurant, 1 Area for banquet ST 4 YES 56 rooms serve only breakfast			dining rooms for 100 people, we cannot provide a conference or
ST 4 YES 56 rooms serve only breakfast			seminar service for 200-300, because we don't have room or space
·		ST 3	2 units, 1 restaurant, 1 Area for banquet
·		ST 4	YES 56 rooms serve only breakfast
		ST 5	·
ST 6 Limited number of room and only 1 restaurant			

Table C8 High fixed costs

Types of Hotels	Answers	Does your hotel have high fixed costs through the operation of your
		hotel? List out 4 of them.
Luxury	L 1	electricity, water, stationary in office, and F&B
Superior	S 1	1. Electricity bills 2. Salary for staffs 3. maintenance cost
	S 2	Yes, 1. Salary 2. Energy 3. Maintenance 4. Au of insurance /
		property tax/other regular fee
	S 3	Yes. Very high, Salary, electricity, maintenance, and amenities
	S 4	Salary, electricity, maintenance, and amenities
	S 5	Payrolls Interest expenses
	S 6	1. Salary 2. Energy 3. Maintenance
Value	V 1	F+B and house keeper and laundry salary, water and electricity bill
	V 2	electricity (300,000-500,000) salaries, F&B supplies
	V 3	Construction, electricity, salary, and maintenance
	V 4	Rent, tax and fees for hotel operation, employees' salary, supplies
		expenses
	V 5	Salary, electricity, maintenance, and amenities
	V 6	1. electricity- energy (boiler, air-con) 2. Salary 3. food cost general
		guest supply
	V 7	Payrolls and utilities expense
Style	ST 1	rent, utilities bill: electricity and telephone and salary
	ST 2	1. staff salary (we have manage it within a year)
		2. Maintenance (facilities, spaces)
		3. Maintenance of customer's facilities which must have it stand by
		and development and promotion.
	ST 3	cannot give out information
	ST 4	salary, food cost, water electric, Maintenance
	ST 5	Maintenance, utilities, and payrolls
	ST 6	Payrolls and utilities expense

Table C9 Variable demand

Types of Hotels	Answers	Does your hotel handle varied demand of each Market segment in				
		each period of time? Please explain.				
Luxury	L 1	yes by preparing everything in advance				
Superior	S 1	Yes, by using season as a factor to set the price and promotions				
	S 2	Yes, high season: concentrate on leisure market/ sue dynamic				
		pricing when inventory are low. Low season: Target wide range				
		of conference group. Especially from the government sector.				
	S 3	Yes, by using season as a factor				
	S 4	low season- reduce room rate by comparing with the competitor				
		and come out with valued package rate High season- easy yield in				
		event of small room available and increasing the room rate				
	S 5	deal by using season as a factor				
	S 6	Separate into low and high season				
Value	V 1	customers: Jewish -low floor, Chinese-stay together with hot				
		water request in the room				
	V 2	proving service, upgrading				
	V 3	room only and serve with limited services& room amenities				
	V 4	Yes, by using the seasons; peak, high and low				
	V 5	In the high season (cold season), there are customers who travel				
		from many places. The hotel has another price and promotions to				
		welcome guests throughout the year.				
	V 6	High season- guests need high volume of accommodation they				
		have breakfast then goes out for travel. From 1 nov-30 April. Low				
		season- out guests needs place (breakfast lunch, dinner) and 2				
		coffee breaks, in the morning and afternoon.				
	V 7	low-high season/ meeting, party, wedding volume				
Style	ST 1	Foreigners, 90% Chinese. Same standard service				
	ST 2	Yes, we prepare things for occasions such as Christmas and new				
		year; we prepare presents and cards for the guests that want to give				
		it to their family. If there are events in town, we will prepare				
		transportation and information for the guest.				
	ST 3	sales management, observe the competitors				
	ST 4	Yes, Yield management and promotions				
	ST 5	We make promotions, the price of the room and packages and spa.				
	ST 6	low-high season				

 Table C10 High Competition

Tuble C10 Ingh	1					
Types of Hotels	Answers	Is your hotel located in High competitive area?				
Luxury	L 1	Yes, 2 big competitors nearby				
Superior	S 1	Yes				
	S 2	Yes, Target high value and domestic conference group to increase				
		FB's profit				
	S 3	Yes				
	S 4	Yes				
	S 5	Yes				
	S 6	Yes				
Value	V 1	Yes				
	V 2	Yes, can compete by categories				
	V 3	Yes				
	V 4	Yes, the hotel has 10 direct competitors in the located area				
	V 5	Yes, The hotel is located on the cannel road in Chiang mai. it is				
		located in a convenient area and close to tourist attractions e.g. The				
		zoo efc.				
	V 6	Yes, our competition hotels nearby are Furama hotel, Lotus Pang				
		Suankeaw. Chiang mai orchid Chiang mai Hill, etc				
	V 7	Yes, compete by price strategy				
Style	ST 1	Yes				
	ST 2	Yes				
	ST 3	No, because hotel is located a bit out of the city and suitable for the				
		hotels' concept that offering to the customers				
	ST 4	Yes				
	ST 5	Not that high				
	ST 6	Yes				

 Table C11 Variety of Market Segmentation

Types of Hotels	Answers	Is your hotel accommodated more than 4 Market segment? Please
		explain.
Luxury	L 1	FIT, Travel agents, Seminar, others (embassy or government)
Superior	S 1	Gov, corporate, OTA
	S 2	Only 3 segments: 1.Leisure 2.Corporate 3. Seminar (government)
	S 3	FIT. Group, conference, corporate
	S 4	OTA, Group, FIT, Leisure non contract
	S 5	FIT/Leisure, corporate, government, and Travel Agent
	S 6	Leisure, Corporate, government
Value	V 1	agency Group Tour, conference (local), walk-in - Korea,
		Christian
	V 2	Government agency, corporate, website, walk-in and F&B
	V 3	no, the hotel focus only limited budget customers who have the
		same range of budgeting
	V 4	European, Asia, and local Thai Wholesales (Tour agents in and
		outbound) 30%, OTA50%, walk-in10%, and corporate10%
	V 5	tour agency, business men, conference, Government, walk ins,
		airport
	V 6	1. Corporate 2. Government 3. Travel agent 4. FIT/walk-in
	V 7	government, corporate, extra net, agent tour
Style	ST 1	Yes, walk-in, Agency, Website, connection
	ST 2	the main customers are couples, family, friends and business
	ST 3	1. FIT 2. Walk in 3. Agency 4. Online agency 5. spa company
	ST 4	tour agency, business men, conference, walk ins,
	ST 5	tour agency, business men, walk ins,
	ST 6	tour agency, walk ins, OTA

Table C12 Versioning opportunities

Types of Hotels	Answers	How many room types do you have? What are the differences in			
		each of room types to help generating revenue to hotel?			
Luxury	L 1	Deluxe, Urban, club, and suite, size and view, room facilities and			
		room benefits			
Superior	S 1	Superior floor2,3,4 Deluxe floor 5,6,7,8 Executive floor 9,10			
		(size bigger than Sup and Deluxe), 1 Suite floor 10			
	S 2	3 types: 1. superior - Basic need			
		2. Deluxe - added value (amenities, types of linen)			
		3. Junior Suite14: Full amenities /large room			
	S 3	6 kinds: Sup, Deluxe, Ex, Ex suit, 2 Bed suite, and full room suit.			
		Different by Size and décor			
	S 4	Family suite 96, executive suite 60, Premier deluxe 46, deluxe 35,			
		and superior 30			
	S 5	Superior (100 rooms): 36sqm on the 5-15 floor			
		Deluxe (200 rooms): 40sqm on the 5-15 floor			
		Business Plus (104 rooms): 40sqm on the 16-19 floor with more			
		varieties of amenities			
		Divinity (94 rooms): 40sqm on the 20-23 floor with VIP club			
		lounge benefits			
		Junior suite (12 rooms): 75sqm 16-23 floor, 1 bed room and 1			
		living room with VIP club lounge benefits			
	S 6	1. superior - Basic need			
		2. Deluxe - added value (amenities, types of linen)			
		3. Junior Suite14: Full amenities /large room			
Value	V 1	Superior and Deluxe are the same			
		3 suite plus living room			
		1 landmark suite			
	V 2	3 superior (125) and Deluxe (72): Floor, décor, supplies, tea and			
		coffee facilities			
	V 3	Superior, deluxe, luxury, and suite, the different are room			
		amenities, decoration, view and size			
	V 4	Deluxe and star deluxe; the different is decoration, and Junior			

Table C12 Versioning opportunities (Cont.)

Types of Hotels	Answers	How many room types do you have? What are the differences in
		each of room types to help generating revenue to hotel?
	V 5	1. Deluxe room (king size, double bed) 2. Junior room
		3. Deluxe room 4. Small/big suite room 5. suite room
	V 6	Standard room, superior room, deluxe room, junior suite room,
		Princess suite room and royal suite room
	V 7	5 Types; standard room, Superior room, Deluxe room, JR.Suite,
		Presidential suite
		Difference -Floor, size, facilities
Style	ST 1	1. Superior: small sized room with convenience services
		2. Villa: bigger sized room than superior with convenience services
		and beautiful decorations
		3. Deluxe: a bigger sized room than villa, nice decoration and
		wide balcony
		4. Ex Deluxe: The biggest room with more convenience services.
	ST 2	3 kinds of room;
		Deluxe room (the most standard and large amount)
		Elephant Junior Suite (room for honeymoon and has medium size)
		White elephant suit (business and honeymoon)
	ST 3	3 kinds: Lanna room, Jacuzzi Junior Suit. Lanna Spa Villa Lanna
		room: size is 30 meter square, Jacuzzi Junior suit: 45 meter square
		and Jacuzzi in every room, Lanna Spa Villa: room 80-100 meter
		square every room has herbal tanning room and sauna.
	ST 4	standard 25 square meter
		studio 25 square meter with balcony
		grand 30 square meter with tub
		meals 33 share meter top floor great view
	ST 5	4 kinds of room: Deluxe room, executive Room, Junior Suit, and
		President suite
	ST 6	Superior room, Deluxe room and JR. Suite
		Difference -Floor, size, facilities

 Table C13 Perishable inventory

Types of Hotels	Answers	One of hotel room character is perishable inventory; do you have				
		any plan in creating demand to fill in that perishable inventory in				
		time? Please explain.				
Luxury	L 1	updated the accurate room inventory and inform to sales team for				
		the chance of selling do more up selling at the front desk by focus				
		on guest character and understand their travelling purpose				
Superior	S 1	use staff but manage seminar				
	S 2	Early bird - to fill in room as early as possible				
		Last minute booking- to fill in left owner room.				
	S 3	Discount rate for walk-in for standard room				
	S 4	plan for room maintenance in every low season on order to refresh				
		the products				
	S 5	Set the specific feature of each room type to meet the need of each				
		market segment consider properly price structure according to the				
		demand of each market segment Appropriate room inventory				
	S 6	Discount				
Value	V 1	Depend on season and the decision from the owner				
	V 2	Reserve for emergency, visitors who come to visit, agency: Class A				
		(local), Class B Conference, Government, Website				
	V 3	use pricing strategy like sale promotions which according to				
		location and cost for each room				
	V 4	add value to the room by using internet access, transportation and				
		meals long term plan to renovate the room to match the customers				
		need at least once a year				
	V 5	Perishable inventories are checked by a team for the hygiene and				
		safety and expire date. We sometimes use it to serve when there is				
		an event. We check the inventories every day.				
	V 6	create a special promotion for example 50 % discount or buy get				
		free season (low season)				
	V 7	Sales promotion to attract the customers				
Style	ST 1	Always checking the inventories				
	ST 2	create a special promotion				
	ST 3	In cases where the inventory is almost expired like the minibar,				
		(drinks, snacks) when the inventory is going out of date, that room				
		will be occupied first. Room, package, spa, food				

Table C13 Perishable inventory (Cont.)

Types of Hotels	Answers	One of hotel room character is perishable inventory; do you have				
		any plan in creating demand to fill in that perishable inventory in				
		time? Please explain.				
	ST 4	Yes, mini bar, First in first put system				
	ST 5	use pricing strategy				
	ST 6	Superior room, Deluxe room and JR. Suite				
		Difference -Floor, size, facilities				

Table C14 Ability to manage differential pricing

		· · ·
Types of Hotels	Answers	How many types of room rates do you have in each Market
		Segment? How can you categorize your room rate? When is the
		appropriate time should you manage applying differential pricing
		from others? What would you do?
Luxury	L 1	room only/ room with ABF, category by type, size and view
		depend on hotel occupancy if low occupancy the rate will be
		reduced, if high the rate will be increased
Superior	S 1	the cost of the room is different for different rooms Superior,
		Deluxe, Executives, junior Suite
	S 2	2 types for each segment/ group rate and individual rate and for
		leisure market &conference. These are high and low season rate.
	S 3	It depends on the volume and period of each segments booking, the
		rates could be adapted on those reasons
	S 4	5 type of room rate from 5 room types
	S 5	Full rate on high season, special discount for low season, special
		package for big group and series
	S 6	Seasonal and frequency of booking
Value	V 1	Contract and allotment are different, Christian churches is the
		same rate, surcharge is added due to occasional
	V 2	Volume of the sales
	V 3	customer segment pricing- different group of people
		channel pricing- different source of customers
		seasonal pricing
	V 4	they are varies in each market segment the rates depend on room
		decorations, room facilities and amenities and also modernization

Table C14 Ability to manage differential pricing (Cont.)

Types of Hotels	Answers	How many types of room rates do you have in each Market
71		Segment? How can you categorize your room rate? When is the
		appropriate time should you manage applying differential pricing
		from others? What would you do?
-	V 5	•
		There are range of each room rate that we can offer
	V 6	In hotel business we provide rate (full rate) then discount rate 10%,
		15%, 20%, 30%, 50%.
		High season we sell full prices-discount maximum 30% depending
		on how long are they going to stay and manager authorize
		Low season, we offer special price up to 50% depending on policy.
	V 7	There are 4 types from marketing segment and their budgets
Style	ST 1	Depend on seasonal
	ST 2	We the room rates are depending on the season of the different
		travelers. For example midyear price A, beginning- end year price
		B, but for the royal brand customers, we have special price. If use
		the hotel service for a whole year then they will have another price.
	ST 3	The hotel has high and low season normally, low season the prices
		will be lower and promotions to promote selling.
	ST 4	They are fixed except low season
	ST 5	2 kinds, low and high
	ST 6	Always depend on season and economic situation

Table C15 Ability to communicate efforts

Types of Hotels	Answers	What types of skill required to front desk staff, Reservation, Sales			
		Person, F&B Staff, Room maid, spa officer and others to convey all			
		kind of service which generates revenue from customer?			
Luxury	L 1	accurate information, presentation skill and positive energy			
Superior	S 1	Fast and understanding the need of the customer.			
	S 2	Up selling/ presentation skill.			
	S 3	multi-tasking, teamwork, service mind, communication skills			
	S 4	product knowledge, keep updated, up selling skill			
	S 5	product knowledge, communication skill, service manner			
	S 6	multi-tasking, teamwork, service mind			
Value	V 1	hotel management knowledge, service and way of talking to the			
		guests, attract customers			
	V 2	Service impression invitations, up selling, selling			
	V 3	understating and teamwork			
	V 4	Attitude, enthusiastic, active			
	V 5	The heart of service is the most important. Have to say, Sawatdee,			
		kop kun kha, Kor tort from the heart. They have to have ethics			
		when they are listening to the customers and fix the problem for the			
		guests from the heat, by receiving the emotions and feelings of the			
		customer. The motto of the staff of the hotel is: think before saying,			
		serve from the heart and feel empathy.			
	V 6	service mind, training by head department, HR department			
	V 7	Service as international standard, and involving with selling the			
		hotel products			
Style	ST 1	Present, Negotiate, friendly, language			
	ST 2	The language skills are the most important, because 95% of			
		customers are foreigners. So the communication skills are used as a			
		tool to attract customers to sell services, which is important.			
	ST 3	The most important communication strategy is how to speak to the			
		guest, be clear, thinking skills, English and smiling. If the workers			
		don't have those, then talking to the customers won't be successful.			
	ST 4	Chinese speaking staff, English speaking staff, friendly staff			
	ST 5	Training of the staff to be service mind			
	ST 6	Negotiate, friendly, language			

Table C16 Answers of Centara Hotels & Resorts

Questions Centara Hotels & Resorts' Answers Room department 65%, Food & Beverage 30%, Which centers (departments) of your hotel generate revenue the most? If more than one. Other revenue 5% what is the ratio of them? What kind of data and information that your Room nights + Revenue by Market Segment, Source hotel uses to generate and support the of booking, Room type, Nationality revenue? And what channels that you collect Arrival + Departure, No-Show, Turn away/ Denial those data and information from? record, Booking lead time. Overall hotel business pick up pace, Group pick up pace, Group conversion ratio. Hotel own rate structure report, Competitors rate shopper report What kinds of revenue management tools As a Revenue Manager every reports/ tools we using (Non-pricing and pricing tools) that your hotel must definitely concern Revenue & Pricing uses to generate and support the revenue? If both, what ratio of them? Currently no proper Revenue Management System Do you have any software that supports you to generate the revenue? If yes, please describe. (RMS) install at my property yet Everyone in the hotel have their own role in Revenue Who and how many people that involves in revenue management for your hotel? Management, However for Revenue management decision maker team will be 1) General Manager 2) Revenue Manager 3) Director of Sales & Marketing 4) Director of Finance 5) Reservation Manager Do you follow the revenue management Yes, during Revenue Maximize meeting Revenue process? If yes, how do you do? If no, why management decision maker team will Finalize what not? strategies to apply according to the hotel / market situation Does your hotel have a fixed capacity of Definitely, every hotels got their own fix capacity, as number of rooms, function rooms, and F&B a hotel operator we cannot build up, Another 100 outlet to serve guest in a certain amount? rooms (Example) to accommodate those demand so Please explain. this is the reason why Revenue management we need to make sure that every business we receive are worth tour product

Table C16 Answers of Centara Hotels & Resorts (Cont.)

Questions

Centara Hotels & Resorts' Answers

Does your hotel have high fixed costs through the operation of your hotel? List out 4 of them.

Does your hotel handle varied demand of each Market segment in each period of time? Please explain.

Is your hotel located in High competitive area?

Is your hotel accommodated more than 4 Market segment? Please explain.

How many room types do you have? What are the differences in each of room types to help generating revenue to hotel?

One of hotel room character is perishable inventory; do you have any plan in creating demand to fill in that perishable inventory in time? Please explain.

How many types of room rates do you have in each Market Segment? How can you categorize your room rate? When is the appropriate time should you manage applying differential pricing from others? What would you do?

What types of skill required to front desk staff, Reservation, Sales Person, F&B Staff, Room maid, spa officer and others to convey all kind of service which generates revenue from customer?

Definitely, the product that hotel operator are selling is Experience so to create good experience to serve customer

Yes, and that the reason why hotel need to divide client into segmentation as each segmentation got difference need and buying behavior

Yes, especially in major destination such as Bangkok, Pattaya, Hua-Hin

Yes, in total we divide our client into 13 Market segments to be able categorize each segment properly

9 Room categories, 14 Room types

Start from Deluxe Family Ocean to Royal Suite. Difference in terms of room size, room setup, facility, amenities (Suite), Club benefit

Of-cause that is the main highlight of Revenue management every action/ strategies that Revenue Management decision maker team are highly focus on.

Yes we do Rate are depending on each Market segment Non-qualifies segment are based on Best Available Rate (BAR) which will lead to another Rate category such as Promotion when apply discount or Package when apply other value added in Qualifies segment such as Wholesale or Corporate are based on Room night production.

Sales & Upselling skill especially for F&B (Wine), Front office (Room upsell), Spa -(Treatment)

APPENDIX D IOC (INDEX OF CONGRUENCE)

APPENDIX D

IOC (INDEX OF CONGRUENCE)

Table D1 Content Validity by Index of Item-Objective Congruence (IOC)

Questions			
Objective 1) To investigate the usage of revenue management in hotels in Chiang Mai.	+1	0	-1

- 1. Which centers (departments) of your hotel generate revenue the most? If more than one, what is the ratio of them?
- 2. What kind of data and information that your hotel uses to generate and support the revenue? And what channels that you collect those data and information from?
- 3. What kinds of revenue management tools (Non-pricing and pricing tools) that your hotel uses to generate and support the revenue? If both, what ratio of them?
- 4. Do you have any software that supports you to generate the revenue? If yes, please describe.
- 5. Who and how many people that involves in revenue management for your hotel?
- 6. Do you follow the revenue management process? If yes, how do you do? If no, why not?

Objective2) To examine the characteristics of hotels in Chiang Mai that use revenue management.

- 1. Does your hotel have a fixed capacity of number of rooms, function rooms, and F&B outlet to serve guest in a certain amount? Please explain.
- 2. Does your hotel have high fixed costs through the operation of your hotel? List out 4 of them.
- Does your hotel handle varied demand of each Market segment in each period of time? Please explain.
- 4. Is your hotel located in High competitive area?
- 5. Is your hotel accommodated more than 4 Market segment? Please explain.
- 6. How many room types do you have? What are the differences in each of room types to help generating revenue to hotel?
- 7. One of hotel room character is perishable inventory; do you have any plan in creating demand to fill in that perishable inventory in time? Please explain.
- 8. How many types of room rates do you have in each Market Segment? How can you categorize your room rate? When is the appropriate time should you manage applying differential pricing from others? What would you do?
- 9. What types of skill required to front desk staff, Reservation, Sales Person, F&B Staff, Room maid, spa officer and others to convey all kind of service which generates revenue from customer?

Table D2 Result of IOC test for Interview questions

Objectives/	Questions	Experts comments			Total	IOC	Conclusion	
Content		1	2	3				
1	1.1	+1	+1	+1	3	1	Usable	
	1.2	+1	+1	+1	3	1	Usable	
	1.3	+1	0	+1	2	0.67	Usable	
	1.4	+1	+1	+1	3	1	Usable	
	1.5	0	+1	+1	2	0.67	Usable	
	1.5	+1	0	+1	2	0.67	Usable	
2	2.1	+1	+1	+1	3	1	Usable	
	2.2	0	+1	+1	2	0.67	Usable	
	2.3	+1	+1	+1	3	1	Usable	
	2.4	+1	+1	0	2	0.67	Usable	
	2.5	+1	+1	0	2	0.67	Usable	
	2.6	+1	+1	+1	3	1	Usable	
	2.7	+1	+1	+1	3	1	Usable	
	2.8	+1	+1	+1	3	1	Usable	
	2.9	+1	0	+1	2	0.67	Usable	

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