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MARKET MIX FACTORS AFFECTING THAI TOURISTS' DECISION TO USE SMALL AND MEDIUM-SIZED HOTELS UNDER THE CRITICAL CONDITIONS OF THE COVID-19 PANDEMIC IN CHIANG MAI, THAILAND

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Abstract

Due to the COVID-19 epidemic situation, tourist behavior has changed, Therefore, this research aims to study the behavior of Thai tourists and marketing mix factors affecting the decision to use the service of medium and small-sized hotels of Thai tourists under the critical condition of COVID-19 epidemic in Mueang District, Chiang Mai Province. The result of the study found that the majority of Thai tourists staying in hotels visited the hotel during holiday season and their stay in the hotel, they prefer to choose Standard Rooms, due to their affordable price. Before booking, they have study and read reviews from online media, they already knew the hotel from online media sources such as Websites/Facebook/IG/Tiktok, etc. Market mix factors affecting Thai tourists' decision to use small and medium-sized hotels under the critical conditions of the COVID-19 pandemic found that, overall, market mix factors influence tourists' decision to use small and medium-sized hotels at 84.0%. In terms of employee factors, it affects the decision to choose their service, followed by the service process and the physical aspect, respectively.

Keywords: Tourist Behavior, Marketing Mix Factors, Small and Medium-Sized Hotels, COVID-19

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Introduction

The hotel business is considered to be primarily related to tourism and generates significant income for the country, as well as creating jobs and careers for the people in the area (Moonsri & Moonsri, 2019). Especially for small and medium-sized hotels, which are located in large numbers in tourist cities of Thailand such as; Bangkok, Phuket, Krabi, Chiang Mai, etc. However, the trend of the hotel business is mainly driven by the key tourism mechanisms, both in terms of amount and income. Most especially, foreign tourists, are considered to be the key target groups that generate income for the tourism and hotel sectors (Department of Business Development, 2019). The crisis of the COVID-19 epidemic, the World Health Organization (WHO) Elevate to “Global pandemic conditions (Pandemic)” The first outbreak was in December 2019, and as a result, the growth of world tourism in the first quarter of 2020 inevitably declined. The number of international tourists dropped 22.7% from the first quarter of 2019, stagnating until April 2020. The decline in tourist arrivals reached 97 per cent compared to the same month in 2019. This is an unprecedented decline in the history of world tourism, including in Thailand. Therefore, the number of foreign tourists visiting Thailand in the first quarter of 2020 decreased by 38.01% from the same period in 2019 (Ministry of Tourism and Sports, 2020). Meanwhile, Thailand places importance on tourism as the main engine that helps drive the country's economy. The tourism and hotel sectors play a major role in Thailand's economy for more than 20% of the country's gross domestic product, which is worth more than 1.03 trillion baht, accounting for 6.1% of the country's GDP, which is likely to grow rapidly, but faces an unprecedented crisis from the Covid-19 epidemic (Hawaree & Povathong, 2022). In addition, the situation of COVID-19 makes almost all hotels suffer from operating losses. Some hotels have to close, especially small and medium-sized hotels that have little capital and cannot withstand months of continuous liquidity (Chalong, 2020). The top three major tourist provinces affected by the COVID-19 epidemic are Bangkok, Chiang Mai and Phuket. (Charoenphol & Kangsadanporn, 2022).

Chiang Mai Province is a large regional tourist city, before the outbreak of the COVID-19 virus in 2019, both Thai and foreign tourists come to travel as many as 10.3 million people, earned income from tourism in the amount of 102.3 billion baht (Provincial Community Development Office of Chiangmai, 2020). But when faced with the crisis of the Covid-19 epidemic, it was found that in 2020, the occupancy rate in Chiang Mai decreased by 33.05% and the number of guests decreased by 49.05 percent (Chiang Mai Provincial Tourism and Sports Office, 2021). However, the situation of COVID-19 affected people around the world causing the need to change the behavior of daily living in every aspect including the behavior of tourists towards travel decisions. Therefore, changes were applied accordingly. However, the marketing mix is considered the main factor that affects the decision-making of tourists during the epidemic situation of the covid-19. The hotel business needs to adjust the service strategy that can respond appropriately to the behavior of tourists, with the above importance, this article, therefore, aims to study the market mix factors affecting Thai tourists' decision to use small and medium-sized hotels under critical conditions of the covid-19 pandemic in Muang district, Chiang Mai province.

Literature Review

Kotler & Keller (2009) discussed consumer behaviour, which is a study of consumer buying and user behaviour, both individuals, groups or organizations to know the nature of their needs and purchasing behaviour. Using the service selection, ideas or experiences that will satisfy consumers appropriately, by analyzing consumer behaviour based on questions to find consumer behaviour characteristics, with 6Ws and 1H consisting of who, what, where, why, when, whom, and how to find 7 answers or 7OS, comprising occupants, objects, objectives, organizations, occasions, outlets, and operations.

Marketing mix factor concept of Kotler & Keller (2012) is a factor and a marketing tool shared by marketers and businesses to create satisfaction and meet the needs of target consumers, which is a tool that can be controlled or planned to stimulate the target customers to create demand for products and services. The most widely used marketing tool is 7Ps, and it consists of 1) product refers to what the company offers and sells to generate interest. By consuming or using services that can make customers satisfied. 2) Price refers to the amount that must be paid to receive the product, product or service of the business, or it may be all the value realized by the customer to benefit from the use of that product, product or service in a cost-effective manner. 3) Place means the distribution channel for goods or services, including how to bring such goods or services to consumers and keep up with demand. 4) Promotions refer to marketing communication tools to create motivation, thoughts, feelings, needs and satisfaction with a product or service. 5) People refers to employees who work for the benefit of the organization, from business owners to executives, General Staff and cleaners 6) Physical Evidence and Presentation refers to what customers can experience by choosing an organization's products or services, making a remarkable difference in quality, and 7) Process means activities related to the methodology and practical work in the field of services offered to the service users in order to provide accurate and prompt services.

Kotler & Armstrong (2011) describes the process of making a purchase decision or opting for a consumer's service into 5 stages: 1) Problem of Need Recognition refers to the consumer being aware of the problem that is being faced until there is a need to find something to solve that problem, which is a product or service that can act to solve that problem. 2) Search refers to consumers seeking and selecting information about the problem they are facing and using it to determine alternatives and make decisions in solving problems 3) Alternative Evaluation refers to the issues that consumers use to compare the pros and cons of two or more products or services before deciding to purchase a product or service, 4) Purchase of Choice is an important step in the purchasing process because it is the stage by which the consumer acts on a purchase after having previously passed other steps, respectively, and 5) Post-Purchase Feeling refers to whether a consumer has evaluated the use of a product and found that it has achieved or exceeded expectations.

A review of relevant research both domestically and internationally related to the market mix factors affecting Thai tourists' decision to use small and medium-sized hotels under the critical conditions of the covid-19 pandemic found that there have been studies in various perspectives, such as Tengtanglam & Pongpanich (2021) which studied the factors affecting the selection of a new normal Thai travel trip. This went in line with the study of Kaewchoo (2021) studied the factors influencing the change in New Normal tourism behaviour after the Covid-19 epidemic. Paramee's Study (2021) examines the new behavior of tourists towards tourism on Koh Sichang under preventive measures and surveillance of the COVID-19 outbreak, including international research such as Matiza (2022) conducted research on Tourism Behavior after the COVID-19 Pandemic: Perceived Risks on the Impact of People Movement and the research of Wachyuni & Kusumaningrum (2020) studied the impact of the COVID-19 outbreak and the behavior of tourists in the future. The related research found that they have a consistent view, which is Marketing mix factors are important or influencing tourists' travel decisions. Especially focusing on tourism that cares about safety Hygiene and even if there is an epidemic, tourists still have a demand for tourism and the changing tourism habits are that tourists care more about their safety and personal hygiene, and also protect themselves from the spread of COVID-19.

Research hypothesis

Market mix factors affect Thai tourists' decision to use small and medium-sized hotels under the critical conditions of the COVID-19 pandemic in Muang District, Chiang Mai Province.

Research Methodology

The population used in the research was Thai tourists. which is a user of medium and small hotels in Mueang District Chiang Mai Province by using the sample group determination method according to the Yamane formula at the 95% confidence level, it was a non-probability sampling, which selects the sample by accidental sampling, the researcher tries to collect as much as possible as they exists or with as many people that co-operated and they must be a tourists staying in a hotel in the city district Chiang Mai Province. They all consist of 400 people. Data collection tools are open-ended questionnaires, which consisted of general information, tourism behavior, marketing mix factors and the decision-making process of using a medium and small hotel in Muang District, Chiang Mai Province. In terms of quality inspection of tools, the researcher sends the questionnaire to advisors and experts with experience in tourism management to verify the validity and appropriateness of the content using IOC index (Index of Item-Objective Congruence) in which the overall value is from 0.90 on all aspects, and a try out was conducted on a non-sample population of 30 people to determine the confidence of the questionnaire with Cronbach's Alpha Coefficient, having a value of 0.90 or higher in all aspects. For the analysis of data from the questionnaire, descriptive statistics such as frequency, percentage, mean and standard deviation were used to describe the general data. Tourism behavior, Marketing mix factors, service decision process and inferential statistics such as the analysis of the Structural Equation Model (SEM) were used to analyze the market mix factors affecting Thai tourists' decision to use small and medium-sized hotels under the critical conditions of the COVID-19 pandemic.

Research Result

The results of general data analysis of the Thai tourists sample found that most of the tourists were female, age between 21-30 years old, single, with a bachelor's degree, they are employees of private companies with and average monthly income between 10,001-20,000 baht. In terms of behavior for using the services of medium and small-sized hotels, it was found that tourists choose to use Standard rooms because are affordable and not expensive. They have seen and read reviews from online media; they travel with family/relatives. They decide to use the hotel service by themselves. Their period of stay is about 1-3 days, they use the hotel once a year during the holiday season. They get to know the hotel from online media sources such as Websites/Facebook/IG/Tiktok, they book their hotel rooms directly through websites, emails, social media, etc.

The result analysis of marketing mix factors affecting the decision to use the service of small and medium-sized hotels, found that most of the Thai tourists sample group gave the highest level of importance to the process factor, such as the employees were wearing masks all the time, pay attention to clean and safe service process at ($\bar{X} = 4.31$), followed by the staff factor, i.e. employees serve customers equally at ($\bar{X} = 4.28$). The product factor is clean, hygienic rooms that meet the hygienic safety standards for tourism enterprises (SHA & SHA Plus) at $\bar{X} = 4.25$. Physical factor, which is the hotel has a well-ventilated system at ($\bar{X} = 4.25$), respectively. In addition, the Thai tourist sample placed a high level of emphasis on the price factor, namely, the quality of the rooms, the value for money at ($\bar{X} = 4.20$), followed by the marketing promotion factor of discounts when booking in advance at ($\bar{X} = 4.03$). The distribution channel factors are online booking channels such as websites, emails, social media, etc. at ($\bar{X} = 4.02$), respectively (as shown in Table 1).

Table 1 Market mix factors affecting Thai tourists' decision to use small and medium-sized hotels

Market Ingredient Factors	Mean	Standard Deviation	Priority Level
Product factors	4.25	0.68	Highest
Price Factors	4.20	0.69	High
Distribution channel factors	4.02	0.84	High
Marketing promotion factors	4.03	0.81	High
Employee factors	4.28	0.67	Highest
Physical factors	4.25	0.67	Highest
Process factors	4.31	0.65	Highest

Analysis of the decision-making process for using small and medium-sized hotels for Thai tourists under the critical conditions of the COVID-19 pandemic in Muang District, Chiang Mai Province, found that the Thai tourist's sample group mostly are aware of the need for tourism, i.e. they want to come to Mueang district, Chiang Mai province for recreation, they searched for information from online agents such as agoda.com/booking.com/expedia.com/ctrip.com and evaluate their options by reading reviews and feedback from various websites and decided to use the hotel in Muang District, Chiang Mai province because of the convenient transportation and in terms of Post-purchase behavior, they have a high level of satisfaction in staying in the hotel in Muang District, Chiang Mai province.

Hypothetical test results of Market mix factors affecting Thai tourists' decision to use small and medium-sized hotels under the critical conditions of the COVID-19 pandemic in Muang District, Chiang Mai Province, found that overall market mix factor (7Ps) affects the decision to use small and medium-sized hotels in Muang District, Chiang Mai Province, with Squared Multiple Correlations (R^2) equal to 0.84 or 84.00 percent (Figure 2) when considering the market mix factor (7Ps), it was found that beta/standardized regression weights ranged from 0.659-0.917, with the most weighted factors being people factors (Beta = 0.917), followed by process factors (Beta = 0.898), physical factors (Beta = 0.897), product factors (Beta = 0.843), price factors (Beta = 0.840), promotion factors (Beta = 0.812), and distribution channel factors (Beta = 0.659), respectively (Table 2).

Table 2 Regression coefficient of market mix factors (7Ps) that affects Thai tourists' decision to use small and medium-sized hotels.

variable	Regression Weight			t	r^2	p-value
	Beta	B	S. E.			
Product <--- 7Ps	.843	.846	.042	20.171	.710	***
Price <--- 7Ps	.840	.891	.045	19.981	.705	***
Place <--- 7Ps	.659	.772	.046	16.719	.434	***
Promotion <-- 7Ps	.812	1.000	-	-	.659	***
People <--- 7Ps	.917	.989	0.43	22.960	.841	***
Physical <--- 7Ps	.897	.928	0.42	22.139	.805	***
Process <--- 7Ps	.898	.929	.048	19.527	.806	***

*** p-value < 0.001

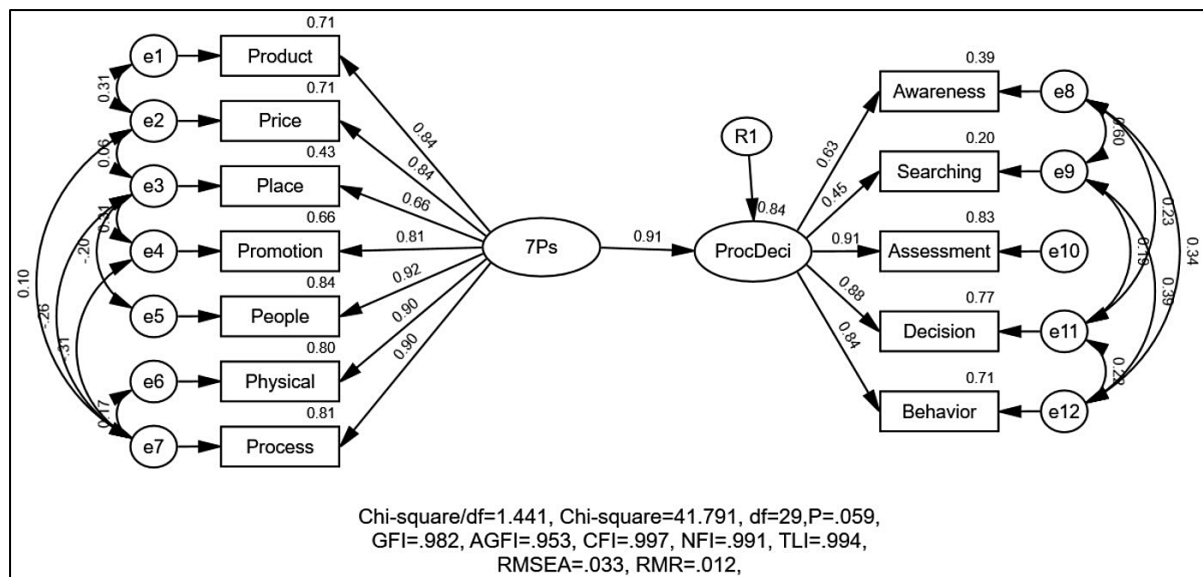


Figure 1 Marketing mix factors (7Ps) that affects the decision to use a small and medium-sized hotel of Thai tourists in Muang District, Chiang Mai Province

Conclusion and Discussion

The study of consumer behavior in decision-making to use medium and small hotels of Thai tourists under the crisis of the COVID-19 epidemic in Muang District, Chiang Mai Province found that majority of Thai tourists who stay in hotels travel to Chiang Mai during the holiday season, in terms of their stay in hotel, they choose to use the standard room service because the price is not expensive, They have seen and read reviews from online media; they travel with family/relatives. They Decide to use the hotel service by themselves. Their period of stay is about 1-3 days, they use the hotel once a year during the holiday season. They get to know the hotel from online media sources such as Website/Facebook/IG/Tiktok, they book their hotel rooms directly through websites, emails, social media, etc.

Market mix factors affecting Thai tourists' decision to use small and medium-sized hotels, found that the majority of Thai tourists pay attention to the service process factors of employees who wear masks at all times, pay attention to the process of providing clean and safe service, followed by the staff providing equal service to customers. The quality is according to hygiene safety standards for tourism businesses (SHA & SHA Plus), including hotels with good ventilation systems etc., this was in line with the research of Krutwayscho et al. (2021), that studied the development of tourism according to the concept of the service marketing mix from the perspective of Gen Y tourists travelling to Chiang Mai, in the wake of the COVID-19 pandemic crisis, the result found that the factors in the hospitality market tourists value in their travels during the COVID-19 crisis are the process of providing services to children who need to be kept clean in accordance with the safety and hygiene tourism benchmarks.

The decision to use a small and medium-sized hotel for Thai tourists under the critical conditions of the COVID-19 pandemic found that most tourists want to visit Muang District, Chiang Mai province for recreation. They searched for information from online agents, studied tourism information from reviews and feedback from various websites and decided to use the hotel in Muang district because of the ease of transportation. The results of this study indicate that despite the COVID-19 pandemic, tourists still have a desire to visit and stay in Muang District, Chiang Mai province, in line with the results of Wachyuni & Kusumaningrum (2020) who studied, the impact of the COVID-19 pandemic and the behavior of tourists, the result found that during the COVID-19 pandemic, tourists still have a demand for travel and expect

that in the future, when the pandemic subsides, there will be a tourism plan because tourism allows them to relax and have a good sense of tourism.

Marketing mix factors affecting the decision to use medium and small hotels of Thai tourists under the crisis situation of the Covid-19 epidemic in Muang District, Chiang Mai Province, found that at overall, the marketing mix factors influenced the decision to use the services of small and medium-sized hotels at 84.0%. Employee factor affects the decision to choose the service at first, followed by the service process and physical characteristics, respectively. Therefore, hotel operators should give importance to service, especially staff, focus on providing equal service, have a good service attitude, make sure there is a clean and safe service process, as well as the development and improvement of the hotel environment to be clean, neat in accordance with the new way of tourism. Maintain hygiene safety standards, create sanitary measures and build trust among tourists. Therefore, it's evident that during the epidemic of the COVID-19 pandemic, tourists attach great importance to clean service, and safety consciousness, according to health safety standards for tourism enterprises (SHA & SHA Plus). This was in accordance with the research of Saenkam (2021) that studied the Tourism behavior of Thai tourists after the Covid-19 situation, the result found that the tourism behavior of Thai tourists has changed, due to the impact of the COVID-19 epidemic and the obvious behavior is to prevent and take care of health and safety. Furthermore, from the results of the study by Samerjai (2021), which studied the intention to use the hotel accommodation under the new normal situation of Thai tourists, the result found that long-term tourists are highly focused on the staff factor. In particular, the service staff who provide services with care, cleanliness, safety, etc., and in accordance with the research of Matiza (2022) conducted a researched-on Tourism behavior after the COVID-19 pandemic, the result found that after the outbreak of Covid 19, it has affected the behavior of tourists. Especially in the awareness of the dangers and impacts of COVID-19 also it makes tourists focus on safe tourism and more personal hygiene care.

Research Suggestions

1) According to the results of the research, the employee factor affects the decision to choose the services of Thai tourists, followed by service process and physical aspects, respectively. Therefore, small and medium-sized hotel establishments should focus on formulating service strategies that focus on developing and improving staffing with training to educate employees in providing services according to the Health Safety Standards for Tourism Enterprises (SHA & SHA Plus), focus on clean and safe service processes, including improving the hotel environment to meet standards and in line with the new way of tourism, etc.

2) According to the study, despite the covid-19 crisis, Thai tourists still have a desire to visit and stay in hotels in Muang District, Chiang Mai province, which shows that Chiang Mai remains an important tourist province that is constantly visited by tourists. Therefore, government agencies in the field of tourism promotion should focus on and promote tourists to be aware of Chiang Mai's hygiene safety standards (SHA & SHA Plus) to build confidence and attract tourists to visit Chiang Mai continuously.

Recommendations for Future Research

1) The next research should study the behavior of tourists, Marketing mix factors and travel decisions of foreign tourists, to guide the development and improvement of the hotel's marketing strategy and planning that meet the needs of foreign tourists even more

2) In this research, the researchers conducted a study of only small and medium-sized hotel businesses. Therefore, in the next research or study, there should also be a large-scale study. To analyze the data on the use of large hotels by Thai tourists.

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Data Availability Statement: The raw data supporting the conclusions of this article will be made available by the authors, without undue reservation.

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