

THE RELATIONSHIP AMONG MARKETING MIX, CUSTOMER SATISFACTION AND CUSTOMER LOYALTY OF CHINESE TOURISTS TO BUDGET HOTEL OF CENTRAL BANGKOK

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Abstract

Objective - The objective of this research was to The purpose of this research was to study the customer perception toward marketing mix (product, price, place, promotion, people, process and physical evidence), customer satisfaction and customer loyalty of budget hotel in central Bangkok

Methodology - A quantitative study was adopted for collecting data. The 401 questionnaires are collected from Chinese tourists who ever stayed in budget hotel of Bangkok, Din Daeng, Huikhuang, Phayathai areas. Agreement level and Mutiple regression analyses are used for analyzing data.

Finding - Customer perception toward product, people, process and physical evidence have a positive impact on customer satisfaction. Customer perception toward price, place and promotion has a negative impact on customer satisfaction. Customer satisfaction has a positive impact on customer loyalty.

Practical implications -The target market of economy hotel industry should focus on young people age 20-30.bachelor's degree, income of over 2000 RMB/Month. The product strategy of budget hotel is to provide not only comfortable and clean guest room with variety of facilities but also pleasant atmosphere and security perception. Managers need to develop a unified management system improve the network reservation system, handle the registration courteously and efficiently, strengthening Room Service.



Introduction

Thailand is a tourist country, Bangkok is the capital of Thailand, one of the most visiting choice, Development of Bangkok tourism can promote the development of the hotel industry, the so-called " budget Hotel" refers to affordable price, simple, hotel of small scale; facilities is relatively simple, but decorate the elegant; paying attention to function. Strive for excellence in the core services provided by the hotel. Budget Hotel Bangkok caters to the tourists from all over the world, especially business people, ordinary wage earners, at their own expense, tourists and students preferred, there are broad prospects for development.

In recent years, the demand of tourists visiting Bangkok from simplification to diversification, multi-level development, and Bangkok hotel industry is also diversification, multi type, providing different grades of types of reception service, facilities for different guests favored by the vast number of consumers. An appropriate location, economic price, excellent service, simple and comfortable, safe and convenient hotel industry has emerged, and achieved a leap forward development in just a few years, this is called " budget Hotel".

The consumption level of Thailand is relatively low, it can apply for landing a tourist visa, is attracting more and more tourists from all over the world. Economic Hotel has its important status in the tourist market, comparing the essential programs and services. Although budget Hotel and high-grade hotel level is consistent, the budget Hotel's price is affordable, cost-effective, which was first chosen by

many tourists (such as business travel, travel guests). Therefore, between the high-end and low-end market, budget Hotel is in the middle market comparing with the international standard, Economic Hotel has its advantages despite having some problems.

According to Thai hotel association's data demonstrates that there are 694 budget hotels in Bangkok of 2014(<http://thaihotels.org>). The booking hotel website named Agoda represent that there are 1820 hotels in Bangkok and have 716 hotels is economic hotel (www.agoda.com). They are distributed in 16 areas as following: Sukhumvit , Riverside, Siam, Chidlom-ploenchit, Don Muang, Bangna, Chatuchak, Chiantown, Old city, Silom, Khao San, Pratunam, Ratchadapisek, Ratchaprasong, Sathon, Suvarnabhumi (<http://www.bangkok.com>).

Literature review

Thailand tourism development in recent years

Most Tourists visiting in Thailand countries are mainly from China, Japan, Korea, Singapore, Hong Kong and Taiwan, Europe and the United States. According to Thailand's official statistic show that in 2006, foreign tourists, approximately 13,800,000 passengers, including East Asian tourists accounted for 55.2%, Europe and the USA accounted for 25.3% and 6.7%. In 2009, Americans came to visit Thailand were 627,000 passengers, 573,000 passengers of Germany, 170,000 passengers of Canada, 647,000 visitors of Australia, 88000 tourists of New Zealand, 1000000 visitors of Japan, mainland China, Hong



Kong and Macao are 1450000 passengers. In 2012, only Chinese to Thailand tourists reached 2700000, compared to 2011 increased by 1 million people, accounts for the total number of Thai foreign tourists in 14%, Chinese tourists brought the income of Thailand tourism can achieve 123,000,000,000 baht.(Aili ,2014).

Budget hotel

Zhen Zhang (2006) performed that according to the classification of Smith Travel Research, hotel is divided into luxury chain, upper upscale chain, upscale chain, midscale with F& B, midscale without F& B, economic chain, independent and other types. Although they have some differences, the review of budget Hotel is basically the same. They all think that budget Hotel refers to maintain low prices, in the price sensitive consumers of the end market Hotel, belong to the low-grade hotel.

Yaixin Huang (March 6, 2013) indicated that although budget hotel logged an explosive CAGR of 51.8% over 2006-2011, the market is still far from being saturated. Over the next five years, the number of economic hotels is expected to grow at a CAGR of 25.3%, driven by increasing tourism demand and substitution for traditional hotels.

Budget hotel usually includes lavish accommodation, gourmet, restaurant and bar, fitness and spas as well, Broadband, wireless hotspot, free internet access, safety box. Facilities are provided by hotel such as swimming pool, beauty par lour, car rental, currency exchange, clinic, steam room and sauna, gym, 24 hours room service and laundry service. Friendly staff to the guess can build and

impress or provide good customer relationship. Different hotel room caters to different needs of a guest. Such as standard room, double room.

Marketing mix

Hartono (2010) stated that the concept of marketing mix divided into product and service marketing mix .The service marketing mix consists of product, price, place, promotion, people, physical evidence, and process, generally called 7P's. The product marketing mix consists of Product, price, place and promotion, commonly called 4P's.

Ferrell (2005) pointed out that Product is the core element of the marketing mix strategy that retailers can offer unique attributes and differentiate their product from their competitors. Borden (1984) stated that product is characterized by quality, design, features, brand name and sizes. The products in the budget hotel of Bangkok are very simple; it mainly provides services, included guest room, free Wi-Fi service, breakfast, room service, and beverage and so on.

(Espinet et al., 2003; Monty and Skidmore, 2003) pointed that many prior studies on the determinants of hotel room price have adopted the hedonic pricing models, which assume that the price of a product is a linear function of items. The main idea of these studies is that room price is linked to the presence or absence of various hotel items. It means, the existence of a certain item will influence on hotel quality, then the quality will influence on a customer's willingness to pay. The lower price is one important factor that has impact on customers' considerations. The price of my hotel per night is about 1299 baht to 1799 baht.



Place is another significant element in the marketing mix, Different firms adopt different approaches to meet customers, Ballet pointed out (2004), the dominant factors as 1). the variation in the availability of channel members among the firm's markets and 2).the influence of the foreign environment forces, especially the culture differences, The firms need to adapt its practices to local opportunities .The best method is to establish a basic with flexible policy, so the subsidiaries carry out this policy and make channel strategies fit local requirement. budget hotel of Bangkok usually located in the convenient transportation, densely populated areas, near the airport, bus station, train station or hospital and school (especially university).

Ruyi fu (2013) pointed out that it will be necessary to advertise a sales promotion through Varian means. Firms may use television commercials, newspaper, or magazine advertisement, or sales fliers advertise their promotional pricing. Others may require customers to bring in coupon or certificate in order to get the sales price on an item. Three different types of marketing are important for an effective sales promotion. There are some useful promotion activities of the budget hotel in Bangkok, such as putting forward some promotion and discounting plans in off-season, making advertisement on website.

People are the most basic elements of the service production and delivery which is part of a difference management. Judd (2001) pointed out that if there is no support from the personal, a customer-orientation is not possible to get achievement.In the eyes of customers, a part of the enterprise product, and service

is pointed out by Davidson: "the secret of success lies in recognizing the services and customer contact staff is the company's key role. So people are the importance factor in the product and service. And more training, communication, learning offered to personnel,they will achieve to display the value of the budget hotel.

Process means service delivery process. People and process are inseparable, in the service process, if the service provider can focus, carefully, patiently, for customer service, can give customers high-quality service impression, so customer service satisfaction is high, the process of service management is the key to improve the quality of service. Hirankitti et al.,(2009) stated that the process is clearly perceived by the customer and it forms the basis of customer satisfaction with the purchase. Therefore, process management ensures the availability of budget hotel's quality.

Booms & Bitner (1981:52) pointed out that physical evidence is the environment in which the service delivered and where the firm and customer interact, and any tangible components that facilitate performance or communication of service. The physical evidence of budget hotel in Bangkok is included guest hotel facilities, the hall decoration, the front desk staff smile, guest room decoration, and so on.

The relationship between marketing mix (7ps) and customer satisfaction

Yelkur (2000) stated that the elements in the services marketing mix has influenced positively on customer

satisfaction. It indicates that service organizations should pay more attention to their employees as well as their customers; it would increase both employee motivation and customer satisfaction. As a result, our study supported the argument that there is a positive correlation between the marketing mix and satisfaction.

to recommend the accommodation to prospective customers. Their findings suggest that customers' intentions are a function of their perception of both their satisfaction and service quality with the accommodation experience. Hence, it can be summing-up that there is a positive relationship between customer satisfaction and customer loyalty.

Relationship between customer satisfaction and loyalty

Getty and Thompson (1994) studied the relationships between quality of accommodation, satisfaction, and the resulting effect on customers' intentions

Conceptual framework

The conceptual framework was conducted based on the literature review to study about "The relationship among marketing mix, customer satisfaction and customer loyalty of Chinese tourists to budget hotel of central Bangkok."

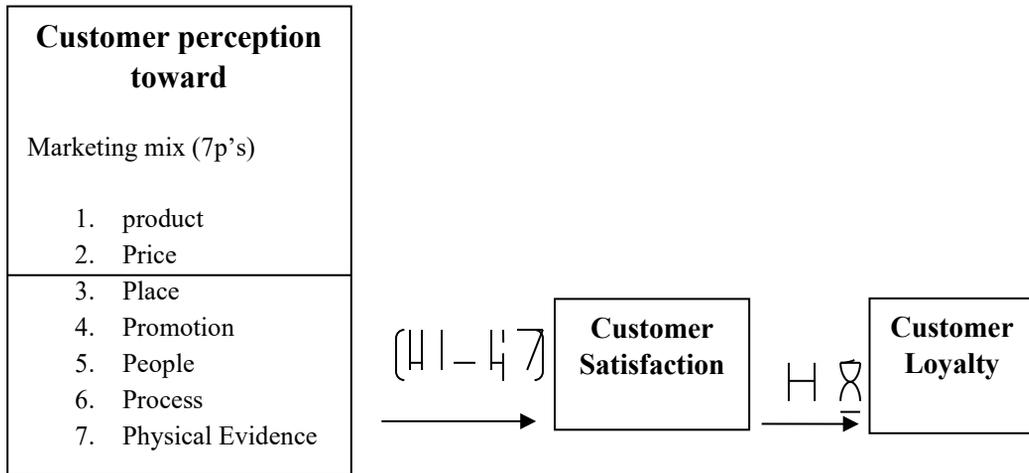


Figure 1 Conceptual framework

Hypothesis

H1: Chinese customer perception toward product of marketing mix (7P's) has a positive impact on customer satisfaction of budget hotel in Bangkok.

H2: Chinese customer perception toward price of marketing mix (7P's) has a positive impact on customer satisfaction of budget hotel in Bangkok.



H3: Chinese customer perception toward place of marketing mix (7P's) has a positive impact on customer satisfaction of budget hotel in Bangkok.

H4: Chinese customer perception toward promotion of marketing mix (7P's) has a positive impact on customer satisfaction of budget hotel in Bangkok.

H5: Chinese customer perception toward people of marketing mix (7P's) has a positive impact on customer satisfaction of budget hotel in Bangkok.

H6: Chinese customer perception toward process of marketing mix (7P's) has a positive impact on customer satisfaction of budget hotel in Bangkok.

H7: Chinese customer perception toward physical evidence of marketing mix (7P's) has a positive impact on customer satisfaction of budget hotel in Bangkok.

H8: Chinese customers' satisfaction has a positive relationship with the customers' loyalty of budget hotel in Bangkok.

Data collection and data analysis

Sampling strategy

The sample size should be at least 400 customers. I will collect questionnaire at least 400 Chinese customers living in economic hotel in Bangkok. According to Department of Education Bangkok metropolitan administration's research results (2015) indicates that the central of Bangkok areas includes phra nkhr, Dusit,

Pom, samphanthawong, Din Daeng, Huai Khwang, Phayathai, Ratchathewi, and Wang Thong Lang. And this research applies random sampling method to find out three areas, there are Din Daeng, Huai Khwang, Phayathai.

Data analysis

Evaluative criteria for the question items with positive meaning, the interval for breaking the range in measuring each is calculated by

$$N (\text{Width of the range}) = \text{Maximum} - \text{Minimum}$$

$$\text{Level} = (5 - 1) / 5 = 0.8$$

The researcher analyzed the agreement level of customer perception toward marketing mix (7P's), customer satisfaction and customer loyalty by calculating the

Mean scores in the following ranges:

4.21 – 5.00 are considered as strongly agree

3.41 – 4.20 are considered as agree

2.61 – 3.40 are considered as neutral

1.81 – 2.60 are considered as disagree

1.00 – 1.80 are considered as strongly disagree

There were 3 parts of statistical analysis as following:

Part 1: Descriptive statistics analysis. The researcher described essential in formations that included customer's gender, age, education and income.



Part 2: Agreement level analysis. The questionnaire used Mean and Standard Deviation to describe the agreement level of marketing mix (7P's: Product, Price, Place, Promotion, People, Physical Evidence, Process), customer satisfaction and customer loyalty.

Part 3: Hypothesis testing. The questionnaire used diversified regression to find out the relationship between customer perception toward marketing mix (7P's) and customer satisfaction. The questionnaire used simple regression to find the relationship between marketing mix (7P's) and customer satisfaction, customer satisfaction and customer loyalty.

Data analysis and results

The objective of this chapter was to analysis and interprets data from questionnaire in order to approach the research objectives. In this chapter, the results of the data analysis are consisted of 3 parts as per following:

Analyzing the demography profile of the respondents

The data are presented in term of number and percentage of respondent's bellows. n=401 Based on Table1-Table5,401 usable data from Chinese customers who stayed at budget hotel of Bangkok, we can find that the number of male

customers and female customers are almost the same (male 186, female 215), most of customers are 20-30 years old, education of bachelor's degree, income 2000-5000 RMB/month, stay at economic hotel1 time /year.

Analyze the agreement level of marketing mix (7P's), customer satisfaction and customer loyalty (mean, SD)

The following data analysis results showed the level of agreement related to 3 issued that includes customer perception toward marketing mix (7P's), customer satisfaction and customer loyalty.

The result showed the agreement level of product of customer perception toward marketing mix (7P's), "The room is neat and clean" (mean=4.46 and SD=0.774) in strongly agree level is the highest of product. "Wi-Fi is fast" (mean=3.65 and SD=0.989) is the lowest that in agree level. And the total product (mean=4.03 and SD=0.856) are agree level.

Results showed the agreement level of price of customer perception toward marketing mix (7P's). "Prices during high seasons and low seasons of this hotel are reasonable" (mean=4.31 and SD= 0.827) in strongly agree level is the highest of price. "The hotel offers excellent prices for the services of food,



beverage, breakfast is attract me” (mean=3.78 and SD=0.934) is the lowest that in agree level. And the total product (mean=4.05 and SD=0.846) are agree level.

The result showed the agreement level of place of customer perception toward marketing (7P’s). “There are many choices of public transport from airport to this hotel (such as taxi, airport-link)” (mean=4.35 and SD=0.807) and “Surrounding of this hotel is lively and convenient (such as bars and restaurants, ATM machines, money exchange booths, convenience stores)” (mean=4.35 and SD=0.773) in the agree level are the highest of place. “The location of this hotel is convenient for shopping (Near to MRT or BTS)” (mean=4.17 and SD=.931) is the lowest in agree level. And the total place (mean=4.29 and SD=0.813) is in strongly agree level.

The result showed the agreement level of promotion of customer perception toward marketing mix (7P’s), “I can get rich information about the hotel from the Internet” (mean=4.42 and SD=0.754) in agree level is the highest of promotion. “I often get promotional prices from the hotel in comparison with the competition hotels” (mean=3.84 and SD=0.843) is the lowest that in the agree level. And the total promotion (mean=4.068 and SD=0.8518) are agree level.

The result showed the agreement level of customer perception toward marketing mix (7P’s), “The staff at the hotel treat every guest fairly” (mean=4.43 and SD=0.866) in agree level is the highest of people. “Staff of this hotel give timely services” (mean=4.11 and SD=0.767) is the lowest in agree level. And the total product (mean=4.24 and SD=0.8188) are agree level.

The result illustrated the agreement level of product of customer perception toward marketing mix (7P’s). “The bookings, payment and stay at the hotel are done conveniently.” (Mean=4.37 and SD=0.780) in agree level is the highest of process. “The hotel offers high-class quality services in comparison with the competitor hotels.” (Mean=3.94 and SD=0.756) in the lowest that in agree level. And the total product (mean=4.18 and SD=0.8386) are agree level.

The result showed the agreement level of physical evidence of customer perception toward marketing mix (7P’s). “Staff’s uniform is neat and clean.” (Mean =4.47 and SD=0.735) in agree level is the highest of physical evidence. “The hotel's overall designs attract me.”(Mean =4.09 and SD=0.775) is the lowest in agree level. And the total physical (mean=4.246 and SD=0.793) is strongly level.

Table 1 Analysis of the agreement level of product of customer perception toward marketing mix (7P's)

Marketing mix(7P's)	Mean	Standard deviation	Level of agreement
1.Product	4.03	0.856	Agree
2.Prcie	4.05	0.846	Agree
3.Place	4.29	0.813	Strongly Agree
4.Promotion	4.068	0.8518	Agree
5.Peole	4.24	0.8188	Strongly Agree
6.Process	4.18	0.8386	Agree
7.Physical evidence	4.246	0.793	Strongly Agree
Total	4.16	0.831	Agree

Table 1 showed that in the total of customer perception toward marketing mix (7P's), "Product" (mean=4.03 and SD= 0.856), "Price" (mean=4.05 and SD=0.846), "Promotion" (mean=4.068 and SD=0.8518) "Process" (mean=4.18 and SD=0.8386) were considered as the agree level of the agreement level. "Place" (mean=4.29 and SD= 0.813), "People" (mean=4.24 and SD=0.8386), "Physical evidence" (mean=4.246 and SD=0.793), were considered as the strongly agree level of the agreement level.

"Place" (mean=4.29 and SD= 0.813) in strongly agree level is the highest of marketing mix (7P's), "Product" (mean=4.03 and SD= 0.856) is the lowest that in agree level.

The overall customer perception toward marketing mix (7P's) (mean=4.16 and SD= 0.831) was considered as the agree level of the agreement level.

The result showed that the Mean score and SD of "I am satisfied with the Supporting facilities." (Mean=4.02 and

SD=0.740), "I am satisfied with the room's comfort level." (Mean=4.18 and SD=0.752), "I am satisfied with the dining quality." (Mean=4.04 and SD=0.861), "This economic hotel service is better than expected." (Mean=4.0 and SD=0.755) were considered as the agree level of the agreement level.

"I am satisfied with the convenient traffic near this hotel." (Mean=4.46 and SD=0.761) is the highest in strongly agree level. "This economic hotel service is better than expected." (Mean=4.0 and SD=0.755) is the lowest in the agree level.

The overall customer perception toward customer satisfaction (Mean= 4.235 and SD=0.773) was considered as the strong agreement level.

The total of customer perception toward customer loyalty. The Mean score and SD of "I will share my pleasant living experience with others." (Mean=4.09 and SD=0.823) is the highest in agree level. "I will recommend-this economic hotel

to my friends.” (Mean=4.05 and SD=0.844) is the second one in agreeement level, “I will book this hotel next time I come to Bangkok.” (Mean=4.04 and SD=0.882) is the third one in agree level. “I will say positive things of this hotel to others.” (Mean=3.94 and SD=0.769) is the lowest in the agree level.

The overall customer perception toward customer loyalty (Mean= 4.03 and

SD=0.83) was considered as the agree level of the agreement level.

Data analysis. Hypothesis testing followed by briefing explanting and research objectives.

Hypothesis 1-Hypothesis7: Chinese Customers’ perception toward marketing mix (7P’s) and customer satisfaction

Table 2 Regression analyses between customer perception toward marketing mix (7P’s) and customer satisfactio

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.907 ^a	.822	.819	.24894

a. Predictors: (Constant), Physical total, Place total, Product total, People total, Price total, Promotion total, Process total

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	112.578	7	16.083	259.526	.000 ^b
1 Residual	24.354	393	.062		
Total	136.932	400			

a. Dependent Variable: CS total

b. Predictors: (Constant), Physical_total, Place_total, Product_total, People_total, Price_total, Promotion_total, Process total

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.345	.095		3.646	.000
1 Product_total	.173	.031	.188	5.550	.000
1 Price_total	.044	.034	.052	1.298	.195
1 Place_total	.081	.029	.093	2.800	.005
1 Promotion_total	-.023	.034	-.027	-.676	.499
1 People_total	.157	.034	.189	4.595	.000
1 Process_total	.170	.038	.183	4.508	.000
1 Physical_total	.324	.037	.350	8.661	.000

a. Dependent Variable: CS total

*. The mean difference is significant at the 0.05 level.

The result of the multiple regression analysis, as presented in Table 2 indicated that the value of Adjusted R Square=0.819, indicating that 81.9% of the variation in the customer satisfaction was influenced by customer perception toward marketing mix (7P's). The significant level of regression was 0.000 (sig<0.05). The significant level of product, people, process and physical evidence were 0.000(sig<0.05).The results indicated that H1, H5, H6, H7 were supported, H2, H3, H4 were unsupported. Furthermore, customer

perception toward product, customer perception toward people, customer perception toward process and customer perception toward physical evidence were statistically significant. Thus, the 4 factors as customer perception toward product, customer perception toward people, customer perception toward process and customer perception toward physical evidence were significantly associated with customer satisfaction.

H8: Customer satisfaction has a positive impact on customer loyalty.

Table 3 Regression analyses between customer satisfaction and customer loyalty

Model Summary

Model	R	R square	Adjusted R square	Std. Error of the estimate
1	.773 ^a	.597	.596	.46244

a. Predictors: (Constant), CS_total

ANOVA^a

Model	Sum of squares	df	Mean square	F	Sig.
1 Regression	126.377	1	126.377	590.958	.000 ^b
1 Residual	85.327	399	.214		
Total	211.704	400			

a. Dependent Variable: CL_total

b. Predictors: (Constant), CS_total

* The mean difference is significant at the 0.05 level

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.037	.169		-.218	.828
	CS_total	.961	.040	.773	24.310	.000

a. Dependent Variable: CL_total

* The mean difference is significant at the 0.05 level.

The single regression analysis was performed to examine the relationship between customer satisfaction and

customer loyalty. According to the result presented in the Table 3 it was found that the significant level was 0.000 (sig<0.05)



and the customer satisfaction was correlated 59.6% (Adjusted R Square= 0.596) with customer loyalty, indicating the marked relationship was existed between customer satisfaction and customer loyalty. This means that the customer loyalty was influenced by their satisfaction. Therefore, H8: Customer satisfaction has a positive impact on customer loyalty was supported.

Hypotheses conclusion

H1: Chinese customer perception toward product of marketing mix (7P's) has a positive impact on Chinese customers' satisfaction of budget hotel in Bangkok was supported.

H2: Chinese customer perception toward price of marketing mix (7P's) has a positive impact on Chinese customers' satisfaction of budget hotel in Bangkok was unsupported.

H3: Chinese customer perception toward place of marketing mix (7P's) has a positive impact on Chinese customers' satisfaction of budget hotel in Bangkok was unsupported.

H4: Chinese customer perception toward promotion marketing mix (7P's) has a positive impact on Chinese customers' satisfaction of budget hotel in Bangkok was unsupported.

H5: Chinese customer perception toward people of marketing mix (7P's) has a positive impact on Chinese customers' satisfaction of budget hotel in Bangkok was supported.

H6: Chinese customer perception toward process of marketing mix (7P's) has a positive impact on Chinese customers' satisfaction of budget hotel in Bangkok was supported.

H7: Chinese customer perception toward physical evidence of marketing mix (7P's) has a positive impact on Chinese customers' satisfaction of budget hotel in Bangkok was supported.

Customer perception toward product, people, process and physical evidence have a positive impact on customer satisfaction. The four factors were significantly associated with customer satisfaction.

Customer perception toward price, place and promotion has a negative impact on customer satisfaction.

Hypothesis 8: Customer satisfaction has a positive impact on customer loyalty.

This hypothesis was designed to identify the relationship between customer satisfaction and customer loyalty. The result of this hypothesis test showed that customer satisfaction has a positive impact on customer loyalty.

Discussion

Creating a good marketing mix plan is the most important basis of the hotel management. And primary result of this research, the target market of economic hotel industry should focus on: Yong people age 20-30. Both female and male Chinese customers. Bachelor's degree. Income of over 2000 RMB/Month.



Marketing strategy

According to the result of regression analysis in Chapter 4 with those 4 elements: product, people, process and physical evidence have a positive impact on customer satisfaction, thus the researcher had some implication in these 4 elements as following:

Product strategy

The core products of economic hotel are guest room and service. The product strategy of economic hotel is to provide not only comfortable and clean guest room with variety of facilities (e.g. TV, WI-FI, and refrigerator) but also pleasant atmosphere and security.

People strategy

People are important to deliver service to customers and influence on customer perception. Most managers need to develop a unified management system, such as reward and punishment system, pay more learning and training their staff, and communicate timely with them. They could achieve to display the optimum value of the product in the economic hotel to customers and accomplish the hotel goal.

Process strategy

Process of the economic hotel means the services that customers got from booking, check-in, and room service check-out and so on. Therefore, process management ensures the availability of service during customers stay in the economic hotel, improve the network

reservation system, handle the registration courteously and efficiently, strengthening Room Service (like cleaning services, booking dinner service), it could improve customers' satisfaction and increase the competitiveness with other competitor hotels.

Physical evidence strategy

Visible surroundings can affect the impressions perceived by the customers about service quality of the economic hotel, it is important to provide good service through physical evidence. For example: it would ensure that the guest room is clean, furniture is complete, the overall designs of budget hotel can attract customers.

Overall, the benefit of good atmosphere such as green space, clean uniform and so on could attract customer to return to this hotel.

Recommendations

The research studied the influence of Chinese customer perception toward marketing mix (7P's) customer satisfaction and also the influence of customer satisfaction to customer loyalty. It is expected to obtain results which will provide useful information to improve the budget hotel industry in Bangkok, Thailand. This study can be used as a source of information for the future study in related fields. According to the results of this study, having some recommendations as following:



Demography characteristics

Based on analysis result of 401 collected data from Chinese customers who stay at budget hotels in Bangkok, the researcher found that the number of male customers and female customers are almost the same (male 186 and female 215), most of Chinese customers are young people about 20-40 years old, education of bachelor's degree, income of 2000-8000 RMS/Month, stay at economic hotel twice a year. Thus, the Chinese customers of budget hotel should focus on 20-40 old young people.

Customer perception toward marketing mix (7P's)

Regarding the result of agreement level from chapter 4, marketing mix (7P's) part included product, price, place, promotion, people, process, and physical evidence.

About the product, the agreement level of "Wi-Fi is fast" in agree level is the lowest (mean=3.65). About the price, the agree level of "The hotel offers excellent prices for the services of food, beverage, breakfast is attract me" in agree level is the lowest (mean=3.78). About the place, the agreement level of "The location of this hotel is convenient for shopping (Near to MRT or BTS)" in agree level is the lowest (mean=4.17). About the promotion, the agreement level of "I often get promotional prices from the hotel in comparison with the competition hotels" in agree level is the lowest (mean=3.84). About the people, the agreement level of "Staff of this hotel give timely services" in agree level is the lowest (mean=4.11). About the process, the agreement level of "The hotel offers

high-class quality services in comparison with the competitor hotels" in agree level is the lowest (mean=3.94). About the physical evidence, the agreement level of "The hotel's overall designs attract me" in agree level is the lowest (mean=4.09). So these are questions that budget hotel operators should solve.

These findings can help economic hotel operators to make decision for new marketing strategy. Such as, make Wi-Fi speed faster; make new suitable price strategy, offering reasonable price for the services of food, beverage and breakfast; offering useful suggestion that how to go to the shopping place or scenic spot to customers; do more special promotion on special days of the Internet; train staffs or hire staffs who have special knowledge or skill and give customers timely services; offer high-class quality services in comparison with other competitor hotels; decorate the economic hotel more appealing.

Marketing mix (7P's) and customer satisfaction

Based on the result of regression analysis in chapter 4 that Chinese customer's perception toward marketing mix (7P's) had a positive impact on customer satisfaction. Furthermore, product, people, process and physical evidence had a positive impact on customer satisfaction. budget hotel operators should focus on product in lodging business, such as the guest room, it should meet customers' needs and make them be satisfied budget hotel managers should focus on people in lodging business, such as offering much training and learning to staff and make sure they give friendly and timely services to



customers. Hotel managers should focus on process in lodging business, such as strengthen and improve booking system, enhance check-in and check-out processes, offer timely room services like cleaning services and booking dinner service. Economic hotel operators should focus on physical evidence in lodging business, such as offering cleanly rooms and furniture, adding more green space, improving hotel's overall designs, ensuring staff's uniform.

Limitations and further research

Limitation

From the study of "The relationship among marketing mix, customer satisfaction and customer loyalty of Chinese tourists to budget hotel of central Bangkok" It appears that the limitations have been issued as following:

1. The research area, in order to convince collect data, only focuses on Chinese customers stay in 3 areas (phayathai, Din daeng, Huaikhang) of budget hotel in central Bangkok. There is limitation in the data collection; it could not distribute the questionnaires to other consumer areas, such as the other areas of central Bangkok. It would influence the accurate of study and cannot represent the actual attitude of the whole Chinese customers.
2. The sampling groups come from various backgrounds, which may cause an effect on the questionnaires. Some respondents understand the questionnaires and some respondents

needed more explanations. All of these may impact on the accuracy of the answer given.

3. Answer from the questionnaires might be distorted because the questionnaires were distributed in the economic hotel of three areas in Central Bangkok. Sometimes the answered of respondents were very hurried, also not careful, someone even didn't want to waste their time to answered the questionnaire. Therefore, their answers may not conform to their current satisfaction.

Future research

Firstly, this research only focuses on the Chinese customers in central Bangkok and does not include the customers in other areas. Therefore, the next research for the person who is interested in this issue can focus on the other areas. Such as, Chiang Mai, Chiang Rai, Phuket, Pattaya, Surat Thani, or other Provinces of Thailand. Secondly, this research only focuses on the Chinese customers. Therefore, the next research for the person who is interested in this issue can focus on other countries such as Thai. Thirdly, This study only focuses on some main variables (marketing mix) relating to customer satisfaction and customer loyalty. There might be other variables influence on customer satisfaction and customer loyalty. Therefore, future researcher may investigate more variables relating to customer satisfaction and customer loyalty in staying budget hotel to deeply understand.



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Part 2: Customer perception toward marketing mix (7P's)

Please check the degrees that best describe you agree or disagree with each statement in the following, based on the budget hotel that you stay.

Please check (√) in one of the boxes below in the following scale:

1=strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree

	Product	Agreement level				
		1	2	3	4	5
1	The hotel facilities are in good condition (air-conditioner, bed, TV, refrigerator, armoire)					
2	Wi-Fi is fast					
3	The sound-proof effect of the room is good					
4	The decoration of the room is warm and sweet					
5	The room is neat and clean					
6	The hotel is safe (such as the hotel have safe box, security door)					

	Price	Agreement level				
		1	2	3	4	5
1	Prices during high seasons and low seasons of this hotel are reasonable					
2	The service prices rate of this hotel are acceptable					
3	The hotel offers excellent prices for the services of food, beverage, breakfast is attract me					
4	The Price is suitable for the benefits that I got while I stayed in hotel					
5	The hotel offers competitive prices in comparison with other competitor hotels.					

	Place	Agreement level				
		1	2	3	4	5
1	The location of this hotel is convenient for shopping (Near to MRT or BTS).					
2	There are many choices of transportation from airport to this hotel (such as taxi, airport-link)					
3	Surrounding of this hotel is lively and convenient (such as bars and restaurants, ATM machines, money exchange booths, convenience stores)					
4	The hotel has an effective system of electronic booking					



Promotion		Agreement level				
		1	2	3	4	5
1	Advertising and other means of promotion of this hotel attracts me considerably.					
2	The hotel has a distinctive brand compared to competitors, and this attracts me					
3	There is a variety of sales promotion packages during special festival in this hotel.					
4	I can get rich information about the hotel from the Internet					
5	I often get promotional prices from the hotel in comparison with the competition hotels					

People		Agreement level				
		1	2	3	4	5
1	Staff of this hotel is friendly					
2	Staff of this hotel give timely services					
3	This hotel's staff have strong professional knowledge					
4	The staff at the hotel treat every guest fairly					
5	Staff are excellent in building good relationship with the guests based on friendship and respect					

Process		Agreement level				
		1	2	3	4	5
1	The luggage's pickup and delivery service to customer's room of this hotel is nice					
2	Room services (like cleaning services, booking dinner service, wake up calling service) of this hotel is good					
3	Check-in and Check-out processes are fast					
4	The bookings, payment and stay at the hotel are done conveniently					
5	The hotel offers high-class quality services in comparison with the competitor hotels					

Physical evidence		Agreement level				
		1	2	3	4	5
1	The rooms, furniture of this hotel make me feel comfortable					
2	The hotel's overall design attract me					
3	Environmental comfort level of this hotel is high (such as green space, natural and comfortable furniture)					
4	Staff's uniform is neat and clean					



5	The hotel has high standards of security and safety procedures such as hotel has camera in lift and passageway					
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Part3: Customer satisfaction

Please check the degree that best describe you agree or disagree with each statement in the following, based on the budget hotel that you stay.

Please check (√) in one of the boxes below in the following scale:

1=strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree

	Customer satisfaction	Agreement level				
		1	2	3	4	5
1	I am satisfied with the Staff’s service					
2	I am satisfied with the Supporting facility					
3	I am satisfied with the hotel location					
4	I am satisfied with the price of this hotel					
5	I am satisfied with the convenient traffic near this hotel					
6	I am satisfied with the cleanly environment of this hotel					
7	I am satisfied with the safety service					
8	I am satisfied with the room’s comfort level					
9	I am satisfied with the dining quality					
10	I am satisfied with my decision to choose this hotel					
11	This budget hotel service is better than expected.					

Part4: Customer loyalty

Please check the degree that best describe you agree or disagree with each statement in the following, based on the budget hotel that you stay.

Please check (√) in one of the boxes below in the following scale:

1=strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree

	Customer loyalty	Agreement level				
		1	2	3	4	5
1	I will booking this hotel next time I come to Bangkok					
2	I will say positive things of this hotel to others					
3	I will share my pleasant living experience with others					
4	I will recommend-this budget hotel to my friends					

Thank You!