

## Marketing Strategies Hostel Success in Chiang Mai, Thailand

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**ABSTRACT :** This paper aimed to study 1) marketing strategies towards hostel business success in Chiang Mai, Thailand. With the quantitative method, the questionnaire covered 400 samples of hostel operators from Chiang Mai, Thailand with non-probability and accidental sampling. Then, the data were analyzed with descriptive statistics for the respondent's information and with the correlation and multiple regression to find out any concordances between the strategies and the hostels' success. The research indicated that 1) for the whole of the strategies, Price ( $X_2$ ) ( $\beta = 0.305$ ,  $\alpha < .01$ ) and Promotion ( $X_3$ ) ( $\beta = 0.419$ ,  $\alpha < .05$ ) had a statistically significant effect on the hostels' success, respectively.

**KEYWORDS** - marketing strategy; success; hostel.

### I. INTRODUCTION

Hostel is a popular accommodation among foreigners. In addition to the price is not strong. There are also complete facilities that are not lost in hotels. Therefore, it is not uncommon to be the top choice. Of tourists. If there are holidays or during the bookmarking season, they will be booked in advance. And staying almost 100 percent. [1]

One of the businesses hit hard by COVID-19 is the tourism and hospitality sector, where hotels are accommodation businesses with the concept of being in the same room of people who love to meet people. New things during the journey. Today I will take a look at one hotel facing the challenge of having no customers at all and adapting to the future business of restaurants like the shared kitchen or Cloud Kitchen. [2]

The tourism industry consists of many types of businesses. One of the most important businesses is the hotel or accommodation business. [2] Although it is a type of business that is operated with a core business goal of profit and survival, the business has expanded widely and plays an important role in the local area as an essential component of tourism and as a center for social gathering activities that benefit the economy and national development [3] [4]

In February 2020, tourism businesses were faced with the COVID-19 epidemic, resulting in a decrease in the number of foreign tourists from Europe and other countries. In addition, the situation has seriously continued to affect the ASEAN region whether it is in matters of people's health, occupation, aviation business, tourism business, related businesses, the manufacturing sector, and the operators in this line, both directly and indirectly. The impact on the manufacturing sector linked to this tourism has valued not less than 8 hundred billion baht. [5] The top 3 most affected businesses were mining industry, agricultural production, and retail/wholesale business. This situation has resulted in a decrease in the added value of the tourism industry by at least 1.3 trillion baht and brought about the termination and the lack of income of at least 1 million tourism workers and the associated sectors with more than 1.3 million people. Overall, the impact of at least 2.3 million workers was laid off and the lack of incomes. Amidst the unfavorable and still widespread situation of the COVID-19 epidemic in many countries around the world, it brings an overall impact on the global economic and trade situation including the impact on the economy in the ASEAN region as many countries have decreased tourist numbers. [6]

Chiang Mai Province is one of the five provinces in Thailand that has Most tourists [7] The main reason is the number Thai and foreign tourists traveling to Chiang Mai The number of hotels entering the market is increasing. According to hotel data in Chiang Mai, it was found that in 2017. There were a total of 22,000 - 23,000 places, representing approximately 50,000 rooms [8]. It is about 4,000 locations, representing more than 60,000 units in the upper capacity.

Accommodation and hotel business One of the business's worst hit by the COVID-19 outbreak Due to having to rely on foreign tourists who are now almost completely gone Many hotels have had to shut down or adjust, such as renting rooms for state detention. Or daily rental to allow people to sit and work But this place can't Because of the characteristic of a hostel accommodation, guests have to sleep in the same room. It is difficult to have tenants to stay as they cannot maintain their distance. [9]

As a result, hostel operators in Chiang Mai, Thailand have to adjust their post-COVID-19 strategies to reflect market trends and changing tourist behaviors. It is interested in doing research on marketing strategy after COVID-19 towards hostel success in Chiang Mai, Thailand to be a guideline for the development of cooperation in the tourism industry for hotel business operators and to build confidence in foreign tourists. This could enable economic recovery in the service industry to return to normal and rapid growth.

## II. OBJECTIVES/RESEARCH QUESTIONS

The objectives of this research article were to study marketing strategies towards hostel business success in Chiang Mai, Thailand.

## III. RESEARCH METHODOLOGY

The framework of this quantitative research is based on related concepts and theories to study marketing strategies that affect the success of hostel business success in Chiang Mai, Thailand. with details as follows.

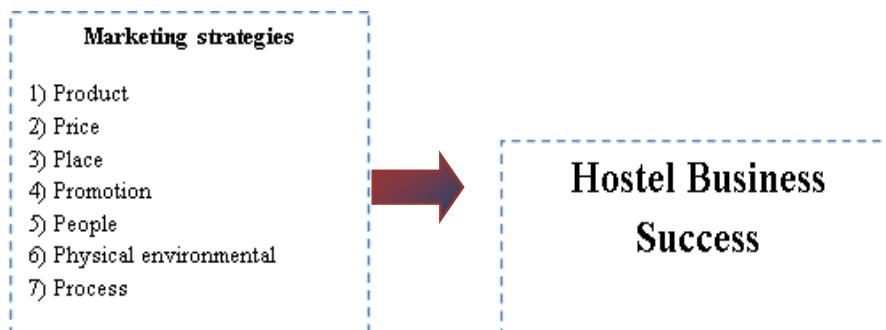


Figure 1 Conceptual framework of this study

### Research Methodology

#### Population and sample group

The population was the hostel operators in hostel business success in Chiang Mai, Thailand. The sample group consisted of 400 respondents by non-probability sampling and accidental sampling. The number was obtained by calculating the formula without the population at a 95% confidence level, and the sample size was set as follows

$$n = \frac{Z^2 P(1-P)}{E^2}$$

Where:

n = Size of the sample group

Z = Reliability level

P = Proportion of the population

E = Highest error value which will happen

The acceptance level was in accordance with the statistical significance level at 0.5

$$n = \frac{(1.96)^2(0.5)(1-0.5)}{(0.05)^2}$$
$$= 384.16$$

The sample size was 385 respondents. However, 400 questionnaires were gathered by using a probabilistic sampling method between August - November 2020.

### **Research Instrument**

The research tool was a questionnaire where the samples were asked individually to provide information about marketing strategies that affect the success of the hostel in Chiang Mai, Thailand. The content consisted of 3 parts as follows.

Part 1: General information of the respondents, namely gender, age.

Part 2: Information on factors used in the analysis of marketing strategies towards hostel success in Chiang Mai, Thailand.

Part 3: Information on the concordance between the strategies and the set of results to the hostels' success.

### **Data analyses**

The data were collected by distributing questionnaires in the form of filling in information online to provide convenience and speed to comply with the situation of the COVID-19 outbreak.

The quantitative data were analyzed with descriptive statistics for the concordance between the strategies and the set of results to the hotels' success by analyzing the correlation coefficient and stepwise multiple regression.

## **IV. RESULTS**

Regarding general data of the respondents, the following were found:

For the general information of the respondents, it was found that 300 respondents, 80%, were female, and 100, 20%, were male. 187 respondents were between 51-60 years old, 43.50%. 137 of them were 41 - 50 years, 18.50%. There were 35 respondents aged 31-40 years, 17.50%, and were 28 respondents aged 30-21 years, 14%. For the age 61 and over, there were 13 respondents, 6.50%.

Factors for analysis of marketing strategies towards hostel business success in Thailand. The results of the analysis of marketing strategies towards hostel in Chiang Mai, Thailand. The marketing strategies that affected the success of the hostel in Chiang Mai, Thailand as a whole were Price ( $X_2$ ) ( $\beta = 0.305$ ,  $\alpha < .01$ ) and Promotion ( $X_3$ ) ( $\beta = 0.419$ ,  $\alpha < .05$ ) with a statistically significant effect, respectively. They could jointly describe the variance of the marketing strategies that affected the success of the hostel in Chiang Mai, Thailand by 41.5% ( $R^2 = 0.415$ ) and the forecasting equations for the marketing strategies that affected the success of the hostel in Chiang Mai, Thailand on the whole (Y) in standardized form was  $Z_y = 0.305ZX_2 + 0.419ZX_3$

Results of analysis of marketing strategies towards hostel in Chiang Mai, Thailand to increase income from other channels Marketing strategies towards hostel in Chiang Mai, Thailand terms of cost retardation, it was found that Promotion ( $X_3$ ) ( $\beta = 0.432$ ,  $\alpha < .01$ ) affected the success of the hostel in Chiang Mai, Thailand with statistical significance. It could jointly explain the variance of the marketing strategy that affected the success of the hostel in Chiang Mai, Thailand by 44.2% ( $R^2 = 0.442$ ), and the equation for forecasting marketing strategies that affected the success of the hotel business in Thailand term of cost retardation (Y) in standardized form was  $ZY_2 = 0.523ZX_3$ .

## V. DISCUSSIONS

The results revealed that overall marketing strategies that affected the success of the hostel in Chiang Mai, Thailand with statistical significance was Price ( $X_2$ ) ( $\beta = 0.305$ ,  $\alpha < .01$ ) and Promotion ( $X_3$ ) ( $\beta = 0.419$ ,  $\alpha < .05$ ), respectively. The variance of the marketing strategy that affected the success of the hotel business in Thailand was 41.5% ( $R^2 = 0.415$ ), and the equation for forecasting marketing strategies that affected the success of the hostel in Chiang Mai, Thailand the whole ( $Y$ ) in the form of a standard score was  $Z_y = 0.305ZX_2 + 0.419ZX_3$ . This was consistent with the concept of [10] that strategy referred to the framework of a story that guided alternatives. The choices determined the nature and direction of the organization. These options related to the breadth of the products or services the organization offered to the markets where the organization was engaged. While growth was the return received from the operations and allocation of the organization's resources. It was consistent with the idea of [11] that a marketing strategy was designed to focus on leading the organization to success according to marketing objectives. This started with selecting one or more target markets and then develop a marketing mix to meet the target market by ensuring that the needs of the customers were met. The marketing strategy and the development of marketing mix had to be three main considerations: 1) conforming to the needs and goals of the target market, 2) being able to be truly practical with available resources and the environment that occurred at that time, and 3) being consistent with the mission, goals and objectives of the organization as well.

However, for marketing strategies that affected the success of the hotel business in Thailand, strategic implementation determined how to operate differently from competitors. The given strategy would create competitive advantages and established strategies. Besides, it had to be consistent with the product on the market, and the organization's knowledge and capability. The competitive advantage would bring customers, market share, income, and growth of the organization. A strategy to gain a competitive advantage required methods and initiatives to keep customers interested and be able to meet their needs.

## VI. CONCLUSION

A strategy to gain a competitive advantage relies on methods and initiatives that keep customers interested and able to meet their needs. With regard to the concordance between marketing strategies that affect the success of hotel businesses in Thailand. After the COVID-19 crisis, not only the normal business strategies used by hotels, cannot continue to operate, but the hotels also need to develop emergency strategies. In response to this unusual situation, strategic setting for hotel business operations determines how it behaves differently from competitors because strategies that are defined according to objectives could create a competitive advantage, and the strategy established must be consistent with the product and market. So, the knowledge and competence in products and services can help create a competitive advantage, and bring customers, revenue market share, including growth of the organization.

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