THAI TOURISTS’ BEHAVIOR TO SELECTION ACCOMMODATION IN LUANG PRABANG LAO P. D. R.

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ABSTRACT

The objective of this survey research is to study Thai tourists’ behaviors in selection of accommodations in Luang Prabang, Lao PDR and the influences of gender, age, and income on the perceived importance of marketing variables in this selection. Questionnaires are used to collect data from 385 Thai tourists who visited Luang Prabang. The conceptual framework is drawn from consumer behavior analysis (Philips Kotler) and service marketing mix (Zeithaml and Bitner). The research results reveal that almost all marketing variables have an importance for Thai tourists at a high level. However, the product dimension in terms of facilities (Provision Shuttle Service, Ample Car Park, Provision of Internet Service and Provision of Travel Service) has a medium level and that in terms of entertainment facilities (Water Swimming Pool, Spa & Massage Service, Snack & Pool Bar) has a low level. The place dimension in terms of the accommodation with agent in Thailand has a low level. Moreover, the marketing variables have different levels of importance varying by gender, age, and income.

KEYWORDS: Thai Tourists’ Behaviors, Marketing Variables, Gender, Age, and Income

INTRODUCTION

Lao PDR now has approximately 7 million people. The country is divided into 3 regions: north, central, and south. It is composed of 16 provinces with Vientaine, in the central, as a capital. Luang Prabang, or the Lane Xang Kingdom, was Laos’s ancient capital. Luang Prabang was announced “world heritage” by UNESCO in December in 1995 because its long history and beautiful nature. Therefore, each year there is an increasingly great number of tourists especially those from Thailand coming to Luang Prabang as the two countries share long borders and similar language and culture. To promote the tourism growth, accommodation is an important infrastructure. At present, the accommodation business in Luang Prabang becomes more competitive. The number of rooms is higher. The current study will provide managerial implications for entrepreneurs and those interested in the accommodation business in Luang Prabang to develop more effective and efficient marketing strategies.

Research Objectives

• To study Thai tourists’ accommodation behaviors in Luang Prabang, Lao PDR
• To study the perceived importance of marketing variables for Thai tourists in the selection of accommodation in Luang Prabang
• To study the influence of gender, age, and income on the perceived importance of these marketing variables

Research Hypothesis

• Gender influences the importance of marketing variables in choosing accommodation.
• Age influences the importance of marketing variables in choosing accommodation.

• Income influences the importance of marketing variables in choosing accommodation.

Expected Benefits from this Research

Entrepreneurs and those interested in the accommodation business in Luang Prabang may use the study results to develop more effective and efficient marketing strategies for their business.

Theoretical Framework

Consumer Behavior Analysis


Service Marketing Mix

Zeithaml and Bitner (2003) suggested “7Ps” as the marketing mix for service business. This includes product, price, place, promotion, people, physical evidence, and process.

METHODOLOGY

Population and Sample

The study population is Thai tourists who visit Luang Prabang and stay in an accommodation there. The sample is 385 Thai tourists who visited Luang Prabang and stayed in an accommodation there in April 2012. The judgmental sampling was used.

Research Instrument

The researchers compiled and developed questionnaires as a research instrument to study Thai tourists’ behaviors and attitudes in staying in an accommodation including marketing variables concerning the decision an accommodation selection in Luang Prabang. The questionnaire is composed of three parts as follows:

Part 1 is a series of seven questions concerning the demographics of the respondents in terms of gender, age, highest educational level, marital status, occupation, domicile, and average monthly income. The questions are close-ended in the format of multiple choice questions. The data are in nominal scale.

Part 2 including 11 questions regarding accommodation behaviors in terms of visit objective, participation in accommodation selection, accommodation type, room type, number of guests staying in the same room, room price, length of stay, reservation method, people providing accommodation information, number of stay, people influencing the accommodation selection, mode of transport from Thailand to Luang Prabang. The questions are close-ended in the format of multiple choice questions. The data are in nominal scale.

Part 3 include 54 questions regarding importance of marketing variables in the following 7 dimensions: product (11 questions), price (5 questions), place (4 questions), promotion (9 questions), people (8 questions), physical evidence (10 questions), and process (7 questions). The questions are five-point Likert-typed rating scale where 5 = most important and 1 = least important.

Instrument Development Procedure

The researchers develop the instrument through the following steps;
• Literature review is conducted to draw concepts and theories to be used as a guideline in research and instrument development.

• The content validity of the questionnaires is verified by experts. The reliability is calculated using Cronbach’s alphas with the sample size of 30. The Cronbach’s alphas for each dimension range from 0.731 to 0.932.

Data Analysis

• The accommodation behavior is analyzed with descriptive statistics including frequency and percentage.

• The importance of marketing variables is analyzed with descriptive statistics including mean and standard deviation. The criteria for level of importance derived from mean are as follows:

<table>
<thead>
<tr>
<th>Mean</th>
<th>Level of Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.50 - 5.00</td>
<td>most important</td>
</tr>
<tr>
<td>3.50 - 4.49</td>
<td>very important</td>
</tr>
<tr>
<td>2.50 - 3.49</td>
<td>moderately important</td>
</tr>
<tr>
<td>1.50 - 2.49</td>
<td>less important</td>
</tr>
<tr>
<td>1.00 - 1.49</td>
<td>least important</td>
</tr>
</tbody>
</table>

• Independent sample t – test was conducted to test the influence of gender on the importance of marketing variables

• Analysis of Variance with LSD (Least Significant Difference) was conducted to test the influence of age and income on the importance of marketing variables

Research Results

• The sample is composed of slightly more women (53.2%) than men probably because most of Thai tourists visiting Luang Prabang travel there as a family with both husband and wife. Most of the sample (70.8%) are 31-50 years old. The occupation categories of entrepreneurs, employees in private sectors, and government official/state enterprise employees account for 26.3%, 25.9%, and 24.7% of the sample, respectively. The average monthly income of 20,001 – 30,000 baht, 10,001 – 20,000 baht, and 30,001 – 40,000 baht account for 49.0%, 19.3% and 14.8% of the sample, respectively. Most of the sample (76.0%) has a bachelor’s degree or higher. They come from all regions in Thailand with North (27.1%) has the highest percentage probably because the region is the closest to Luang Prabang and has convenient routes and transportation.

• In terms of the product and service, the percentage of tourists staying in resorts and hotels are 43.3 and 37.2, respectively. Eighty-two point six percent stay in an air-conditioned room with bath, probably because of the need for convenience, safety, and privacy as tourists in general. The average room rates are 501 – 700 baht (40.0%) and higher than 900 baht (20.4%).

• In terms of reasons in decision-making, most of the sample (85%) visit Luang Prabang for tourism.

• In terms of people involved in decision-making, most Thai tourists (79.4%) participate in the accommodation decision and 66.5% report that they themselves are the most influential person in the decision-making.

• In terms of length of stay, most Thai tourists stay for at least 2 consecutive nights (96.3%) and make a visit for the first time (77.3%).
• In terms of transportation mode, Thai tourists travel to Luang Prabang by plane (72.2%) and by car (13.4%). All of Thai tourists with domicile in the central, eastern, and western regions travel by plane while some of those from Greater Bangkok and the northeastern, northern, and southern regions travel by car.

• In terms of reservation methods, 37.4% of Thai tourists made a booking through other parties such as travel agents while 26.8% make it by themselves via phone/fax. Sixty-six point four percent get the accommodation information from friends and acquaintance.

The importance of marketing variables in the accommodation selection.

• The Product Dimension

The following items are considered very important: Clean Room (\(\bar{x} = 4.10\)) , Close Proximity to Tourist Attractions (\(\bar{x} = 3.76\)) , Close Proximity to Business District (\(\bar{x} = 3.63\)) , and Provision of Food / Beverage Service (\(\bar{x} = 3.61\)) . The following items are considered moderately important: Provision Shuttle Service (\(\bar{x} = 3.37\)) , Ample Car Park (\(\bar{x} = 3.13\)) , Provision of Internet Service (\(\bar{x} = 3.00\)) , and Provision of Travel Service (\(\bar{x} = 2.91\)) and The following items are considered less important: Water Swimming Pool (\(\bar{x} = 2.48\)) , Spa and Massage Service (\(\bar{x} = 2.45\)) and Snack & Pool Bar (\(\bar{x} = 2.21\)) .

• The Price Dimension

All items are considered very important: clear room price Identification (\(\bar{x} = 4.02\)) , Room price suitable for room conditions and facilities (\(\bar{x} = 3.94\)) , Payment in different currencies (\(\bar{x} = 3.90\)) , Credit card acceptance (\(\bar{x} = 3.86\)) , and A wide range of price (\(\bar{x} = 3.60\)) .

• The Place Dimension

The following items are considered very important: Convenient communication for reservation or reservation change (\(\bar{x} = 3.83\)) , Reservation service (\(\bar{x} = 3.74\)) and Easy accessibility to accommodation (\(\bar{x} = 3.74\)) . The item: Availability of reservation agency in Thailand (\(\bar{x} = 3.49\)) is considered moderately important.9

• The Promotion Dimension

All items are considered very important: Discount for long-stay guests (\(\bar{x} = 3.95\)) , Advertising and public relation via internet (\(\bar{x} = 3.82\)) , Advertising and public relation via several media in tourist attractions (\(\bar{x} = 3.80\)) , Advertising and public relation via several media in business districts (\(\bar{x} = 3.68\)) , Advertising and public relation via selling agency in Thailand (\(\bar{x} = 3.68\)) , Advertising and public relation via print media/newspaper (\(\bar{x} = 3.57\)) , Advertising and public relation via television (\(\bar{x} = 3.56\)) , and Advertising and public relation via radio (\(\bar{x} = 3.50\)) .
• **The People Dimension**

All items are considered very important: Staff’s attention to guests ($\bar{x} = 4.09$), Courteous staff ($\bar{x} = 4.07$), Communication ability ($\bar{x} = 4.07$), Expertise in right and fast service ($\bar{x} = 4.06$), Understanding of guests’ needs ($\bar{x} = 4.01$), Ability to promptly respond to guests’ needs ($\bar{x} = 3.99$), Knowledge in the service under one’s responsibility ($\bar{x} = 3.93$), Appropriate dress ($\bar{x} = 3.82$).

• **The Physical Evidence Dimension**

All items are considered very important: Exterior decoration appropriate to the concept of Lao heritage and world heritage ($\bar{x} = 4.40$), Interior decoration appropriate to the concept of Lao heritage and world heritage ($\bar{x} = 4.30$), Exterior decoration appropriate to nature, environment, and local culture ($\bar{x} = 4.17$), Interior decoration appropriate to nature, and environment ($\bar{x} = 4.06$), Stability and strength ($\bar{x} = 4.04$), Interior decoration appropriate to local culture ($\bar{x} = 3.98$), Recognizability ($\bar{x} = 3.87$), Beautiful exterior decoration ($\bar{x} = 3.86$), and Beautiful interior decoration ($\bar{x} = 3.67$).

• **The Process Dimension**

All items are considered very important: Provision of good service system ($\bar{x} = 3.94$), Security system for guests’ belongings ($\bar{x} = 3.89$), Right and quick service procedure ($\bar{x} = 3.85$), Convenient and comfortable service procedure ($\bar{x} = 3.84$), Security system for guests’ lives ($\bar{x} = 3.84$), Responsibility and compensation for mistake and guests’ damage ($\bar{x} = 3.82$), and Good management system ($\bar{x} = 3.78$).

The testing of gender influence on the perception of marketing variable importance is displayed in Table 1.

Gender significantly influences the perceived importance of the place dimension at the .05 level. Women ($\bar{x} = 3.79$) consider the following items to be more important than men ($\bar{x} = 3.60$): convenient communication for reservation or reservation change, reservation service, and easy accessibility to accommodation.

Gender significantly influences the perceived importance of the promotion dimension at the .1 level. Women ($\bar{x} = 3.75$) consider the following items to be more important than men ($\bar{x} = 3.61$): discount for long-stay guests, advertising and public relation via internet, advertising and public relation via several media in tourist attractions, advertising and public relation via several media in business districts, advertising and public relation via selling agency in Thailand, advertising and public relation via print media/newspaper, advertising and public relation via television, and advertising and public relation via radio in Luang Prabang.

Gender significantly influences the perceived importance of the people dimension at the .1 level. Women ($\bar{x} = 4.07$) consider the following items to be more important than men ($\bar{x} = 3.93$): staff’s attention to guests, courteous staff, communication ability, expertise in right and fast service, understanding of guests’ needs, ability to promptly respond to guests’ needs, knowledge in the service under one’s responsibility, and appropriate dress.
Table 1: The Comparison of Means between Men and Women in Terms of Importance of Marketing Variables

<table>
<thead>
<tr>
<th>Service Marketing Mix Dimension</th>
<th>Level of Importance</th>
<th>T-Test for Equality of Means</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gender</td>
<td>Mean</td>
</tr>
<tr>
<td>Product</td>
<td>men</td>
<td>3.0917</td>
</tr>
<tr>
<td></td>
<td>women</td>
<td>3.1749</td>
</tr>
<tr>
<td>Price</td>
<td>men</td>
<td>3.7932</td>
</tr>
<tr>
<td></td>
<td>women</td>
<td>3.9000</td>
</tr>
<tr>
<td>place</td>
<td>men</td>
<td>3.5962</td>
</tr>
<tr>
<td>promotion</td>
<td>women</td>
<td>3.7936</td>
</tr>
<tr>
<td>People</td>
<td>men</td>
<td>3.9310</td>
</tr>
<tr>
<td>Physical evidence</td>
<td>women</td>
<td>4.0687</td>
</tr>
<tr>
<td>process</td>
<td>men</td>
<td>3.7968</td>
</tr>
<tr>
<td></td>
<td>women</td>
<td>3.8967</td>
</tr>
</tbody>
</table>

Equal variances not assumed (sig. at 0.05), ** sig. at 0.05, *** sig. at 0.1

The testing of age influence on the perception of marketing variable importance is displayed in Table 2.

Thai tourists aged over 50 years consider all dimensions of marketing mix -product, price, place, promotion, people, physical evidence, and process- to be more important than those aged 50 years or younger. Thai tourists aged under 20 years consider the price, people, and process dimensions to be more important than those aged 31-50 years.

Table 2: The Comparison of Means among Different Age Groups in Terms of Importance of Marketing Variables

<table>
<thead>
<tr>
<th>Service Marketing Mix Dimension</th>
<th>Level of Importance Classified by Age</th>
<th>F - Test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>under 30</td>
<td>31 - 40</td>
</tr>
<tr>
<td>Product</td>
<td>3.04*</td>
<td>3.02*</td>
</tr>
<tr>
<td>Price</td>
<td>3.98*</td>
<td>3.72*</td>
</tr>
<tr>
<td>place</td>
<td>3.67*</td>
<td>3.54*</td>
</tr>
<tr>
<td>promotion</td>
<td>3.55*</td>
<td>3.64*</td>
</tr>
<tr>
<td>People</td>
<td>4.16*</td>
<td>3.87*</td>
</tr>
<tr>
<td>Physical evidence</td>
<td>3.95*</td>
<td>3.99*</td>
</tr>
<tr>
<td>Process</td>
<td>4.05*</td>
<td>3.66*</td>
</tr>
</tbody>
</table>

* sig. at 0.01 , ** sig at 0.05. The superscripts a, b and c denote the results of pair-wise comparison at 0.05 level. Same superscripts reflect insignificant difference.

The testing of the income influence on the perception of marketing variable importance is displayed in Table 3.

Thai tourists with an average monthly income of higher than 50,000 baht consider the product dimension to be more important than those with other level of incomes except those lower than 10,000 baht. Thai tourists with an average monthly income of 20,001 - 30,000 baht consider the product dimension to be less important than any other groups. Thai tourists with an average monthly income of higher than 40,001 baht and lower than 10,000 baht consider the price dimension to be more important than those with 10,001 - 20,000 baht, and 30,001 - 40,000 baht which in turn perceive this dimension to be more important than those with 20,001 - 30,000 baht. Thai tourists with an average monthly income of higher than 40,001 baht and lower than 10,000 baht consider the place dimension to be more important than those with
10,001 - 20,000 baht, and 30,001 - 40,000 baht which in turn perceive this dimension to be more important than those with 20,001 - 30,000 baht. Thai tourists with an average monthly income of higher than 30,001 baht consider the promotion dimension to be more important than those with income lower than /20,000 baht which in turn perceive this dimension to be more important than those with 20,001 - 30,000 baht. Thai tourists with an average monthly income of higher than 40,001 and lower than 10,000 baht consider the staff dimension to be more important than those with income of 10,001-20,000 baht and 30,001-40,000 baht which in turn perceive this dimension to be more important than those with 20,001 - 30,000 baht. Thai tourists with an average monthly income of higher than 40,001 and lower than 10,000 baht consider the physical evidence dimension to be more important than those with income of 10,001-40,000 baht. Thai tourists with an average monthly income of higher than 40,001 and lower than 10,000 baht consider the process dimension to be more important than those with income of 10,001-20,000 baht and 30,001-40,000 baht which in turn perceive this dimension to be more important than those with 20,001 - 30,000 baht.

**Table 3: The Comparison of Means among Different Income Groups in Terms of Importance of Marketing Variables**

<table>
<thead>
<tr>
<th>Marketing Variables</th>
<th>10,001 or lower</th>
<th>10,001 - 20,000</th>
<th>20,001 - 30,000</th>
<th>30,001 - 40,000</th>
<th>40,001 - 50,000</th>
<th>Higher than 50,000</th>
<th>F - test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>3.52&lt;sup&gt;cd&lt;/sup&gt;</td>
<td>3.28&lt;sup&gt;bc&lt;/sup&gt;</td>
<td>2.89&lt;sup&gt;a&lt;/sup&gt;</td>
<td>3.13&lt;sup&gt;b&lt;/sup&gt;</td>
<td>3.36&lt;sup&gt;bc&lt;/sup&gt;</td>
<td>3.92&lt;sup&gt;d&lt;/sup&gt;</td>
<td>14.41*</td>
</tr>
<tr>
<td>Price</td>
<td>4.29&lt;sup&gt;c&lt;/sup&gt;</td>
<td>3.89&lt;sup&gt;b&lt;/sup&gt;</td>
<td>3.65&lt;sup&gt;a&lt;/sup&gt;</td>
<td>3.82&lt;sup&gt;ab&lt;/sup&gt;</td>
<td>4.06&lt;sup&gt;bc&lt;/sup&gt;</td>
<td>4.45&lt;sup&gt;c&lt;/sup&gt;</td>
<td>8.86*</td>
</tr>
<tr>
<td>place</td>
<td>4.11&lt;sup&gt;cd&lt;/sup&gt;</td>
<td>3.70&lt;sup&gt;b&lt;/sup&gt;</td>
<td>3.47&lt;sup&gt;a&lt;/sup&gt;</td>
<td>3.76&lt;sup&gt;b&lt;/sup&gt;</td>
<td>4.00&lt;sup&gt;bcd&lt;/sup&gt;</td>
<td>4.44&lt;sup&gt;d&lt;/sup&gt;</td>
<td>10.13*</td>
</tr>
<tr>
<td>promotion</td>
<td>3.63&lt;sup&gt;ab&lt;/sup&gt;</td>
<td>3.70&lt;sup&gt;ab&lt;/sup&gt;</td>
<td>3.58&lt;sup&gt;a&lt;/sup&gt;</td>
<td>3.80&lt;sup&gt;bc&lt;/sup&gt;</td>
<td>3.77&lt;sup&gt;abbc&lt;/sup&gt;</td>
<td>4.09&lt;sup&gt;c&lt;/sup&gt;</td>
<td>3.37**</td>
</tr>
<tr>
<td>People</td>
<td>4.40&lt;sup&gt;cd&lt;/sup&gt;</td>
<td>4.14&lt;sup&gt;bc&lt;/sup&gt;</td>
<td>3.74&lt;sup&gt;a&lt;/sup&gt;</td>
<td>3.96&lt;sup&gt;b&lt;/sup&gt;</td>
<td>4.53&lt;sup&gt;d&lt;/sup&gt;</td>
<td>4.70&lt;sup&gt;d&lt;/sup&gt;</td>
<td>14.87*</td>
</tr>
<tr>
<td>Physical evidence</td>
<td>4.21&lt;sup&gt;cd&lt;/sup&gt;</td>
<td>3.99&lt;sup&gt;a&lt;/sup&gt;</td>
<td>3.98&lt;sup&gt;a&lt;/sup&gt;</td>
<td>4.08&lt;sup&gt;a&lt;/sup&gt;</td>
<td>4.06&lt;sup&gt;ab&lt;/sup&gt;</td>
<td>4.35&lt;sup&gt;b&lt;/sup&gt;</td>
<td>2.94**</td>
</tr>
<tr>
<td>Process</td>
<td>4.44&lt;sup&gt;cd&lt;/sup&gt;</td>
<td>4.01&lt;sup&gt;bc&lt;/sup&gt;</td>
<td>3.52&lt;sup&gt;a&lt;/sup&gt;</td>
<td>3.88&lt;sup&gt;b&lt;/sup&gt;</td>
<td>4.50&lt;sup&gt;ab&lt;/sup&gt;</td>
<td>4.52&lt;sup&gt;d&lt;/sup&gt;</td>
<td>13.86*</td>
</tr>
</tbody>
</table>

* sig. at 0.01 , ** sig. at 0.05 The superscripts a , b , c, and d denote the results of pair-wise comparison at .05 level. Same superscripts reflect insignificant difference.

**DISCUSSIONS**

In selecting accommodation in Luang Prabang, Lao PDR, Thai tourists perceive almost all marketing variables as very important. However, for the product dimension, extra service and facilities including shuttle service, car park, and internet service have a medium level of importance. The recreational services including swimming pool, spa, traditional massage, pub, and bar have a low level of importance, probably because Thai tourists in Luang Prabang are those who desire tourism in nature, art, culture, and tradition which are valuable world heritage. Therefore, these extra services may not be necessary or needed by Thai tourists. Nevertheless, the accommodation entrepreneurs with Thai tourist target should use appropriate marketing strategies to stimulate Thai tourists’ needs and decision-making.

For example, if the entrepreneurs want to target the female groups, the entrepreneurs should use marketing strategies to stimulate the needs and decision-making of the female target group to a higher extent than those of the male counterparts because women give more importance to marketing variables than men. This is probably because women, by nature, tend to be more fastidious and pay more attention to details than men.

In addition, the entrepreneurs should target their marketing strategies to customers aged 50 years or younger because this is the majority (84.6%) rather than targeting those older than 50 years who need more stimulation from marketing strategies to a higher extent than other age groups. However, if the entrepreneurs want to focus on high-income target group, they must invest heavily in marketing strategies because this income group gives more importance to marketing variables than the other income groups.
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