

**RELATIONSHIP MARKETING WITH CUSTOMERS
IN THE HOTEL INDUSTRY IN THAILAND**

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Abstract

This thesis explores the scope, nature and form of relationship marketing in the hotel industry in Thailand. For the last twenty years, relationship marketing has attracted enormous interest from both academic researchers and business practitioners. However, the majority of research conducted in this area has been conducted in Western business environments (Palmer 2000). Theoretically, the aim of relationship marketing is to establish long-term relationships with customers and is subject to cultural specificities. While relationship marketing research may achieve encouraging results in Western business environments, its wider effectiveness in the context of Eastern culture remains unverified. This study thus aims to produce insightful results by carrying out relationship marketing research in Eastern business environments and within a specific cultural context – that of Thailand. This thesis investigates the influence of national culture on the development of relationship marketing and finds that specific aspects of Thai culture have a significant influence on the success of relationship marketing in the Thai hotel industry. In the context of Thai culture, ‘relationship marketing’ is interpreted as a long-term commitment to customers and all hotel business stakeholders, and it possesses certain cultural implications which differ substantially from Western business concepts.

The findings from the research conducted in this study are based on the data collected from interviews which examined the individual attitudes, beliefs, behaviours and preferences of 41 respondents. Quantitative surveys were also conducted and targeted a larger group of 369 travellers from eighteen hotels in Bangkok. An extensive analysis of the data enabled the researcher to formulate a relationship marketing model for the Thai hotel industry in order to conceptualise customer-hotel relationships. The model combines relationship marketing theories with business practice in the hotel industry in Thailand. It contributes to the existing body of tourism and marketing literature by introducing nine relationship marketing elements: Thai personality, quality of service, personal attention, customer recognition, product improvement, creativity, trust and commitment, friendship, and social networks. These nine elements are considered to play a significant role in customer-hotel relationships and relationship marketing strategies, particularly in the maintenance of customer loyalty and the development of long-term relationships.

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CHAPTER 1: INTRODUCTION

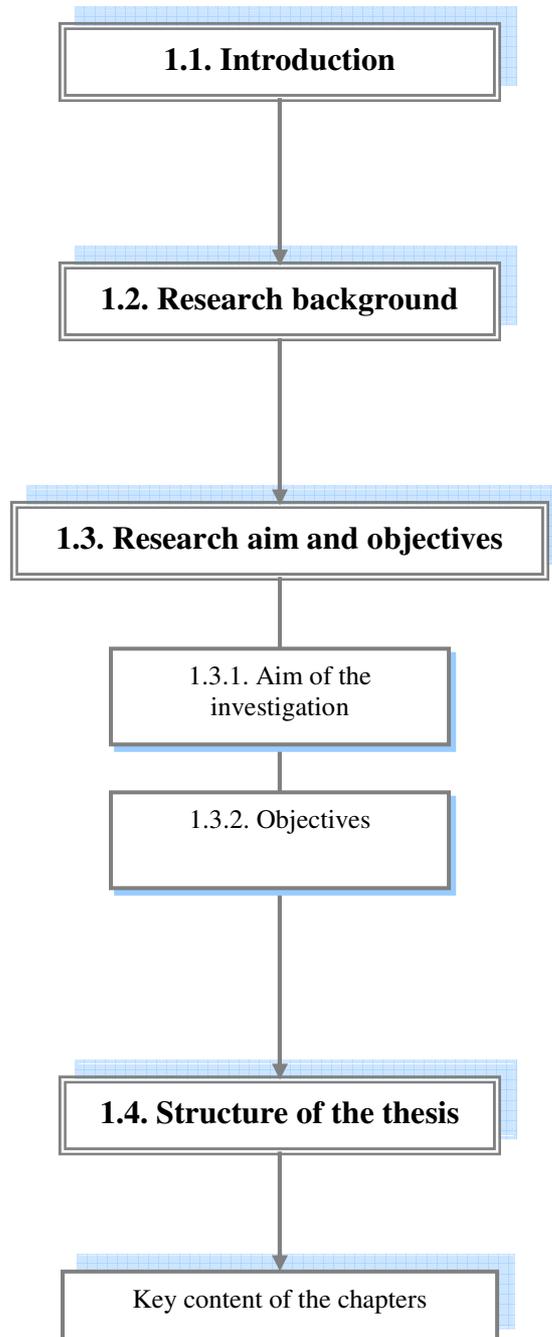


Figure 1.1: Structure of Chapter 1

1.1. Introduction

This chapter introduces the reader to the study of relationship marketing in relation to customers in the Thai hotel industry. It goes on to explore the aims and objectives of the research which was conducted, and concludes by summarising the content of the subsequent chapters.

1.2. Research background

The global tourism industry is predicted to grow at a rate of 4.0% per year over the next ten years, enabling popular tourist destinations to reap significant economic benefits (WTTC 2008). Such rapid growth has generated intense competition in the market-place which has provided customers with increased choice, greater value for money and augmented levels of service. However, there is now very little to distinguish one hotel's products and services from another and it is therefore crucial for hotels to gain a competitive advantage in order to differentiate themselves from their competitors.

The growth of the hotel industry in Thailand has been significantly influenced by the growth of the global tourism industry. Thailand has become one of the most important tourist destinations in South East Asia, with more than 37 million international tourists predicted to visit its shores by 2020 (World Tourism Organisation 2008). As tourism has grown to become a significant source of foreign currency for Thailand, improving the quality of services provided and establishing valuable long-term relationships with customers is more crucial than ever to the success of the Thai hotel industry. Such developments are particularly urgent given the current world economic crisis and the recent political unrest that has blighted Thailand.

The concept of relationship marketing and the importance of developing long-term relationships between buyers and sellers has been examined extensively in marketing theory and practice and has replaced the previous focus on individual transactions (Berry 1983; Morgan & Hunt 1994; Grönroos 2007; Gummesson 2008). Researchers agree that the retention of existing customers is more profitable than seeking new ones (Reichheld & Sasser 1990; Berry & Parasuraman 1991; Buttle 1996; Gilbert 1999) and within the hotel industry in particular, customer loyalty and its related constructs play a crucial role in the success of

relationships (Reichheld & Sasser 1990; Morgan et al. 2000). Loyal customers may introduce more certainty into the business; they are less sensitive to fluctuations in price and more likely to make positive word-of-mouth referrals (Diller 2000; Morgan et al. 2000). Customer loyalty is generally based on service-related factors such as the personality of front-line employees. When customers' expectations are met by the quality of service offered by staff, their satisfaction increases and this leads to a concomitant increase in the possibility of repeat purchases and the level of trust and commitment of customers.

The purpose of this thesis is to extend the existing body of knowledge by examining relationship marketing with customers in the context of the Thai hotel industry; its findings are based on data gathered from eighteen hotels in Bangkok. The results of this study suggest that hotels are increasingly aware of the importance of customers and are placing greater emphasis on relationship marketing activities and the delivery of high quality services in accordance with customer needs. Many of the hotels that participated in this study (in particular, Hotels 4, 6, and 11) have become world leaders by consistently delivering an exemplary level of service with genuine attention to detail (Bisno & Flowers 2008). Many of the respondents were acutely aware that paying such attention to their customers would eventually lead to increases in profits and market share. However, the terminology associated with relationship marketing was only understood by a few respondents, which suggests that there is a need for a more thorough understanding of the concepts which are involved.

The study develops a model of relationship marketing which is based upon qualitative and quantitative research and an extensive review of the literature. It provides an extensive holistic exploration of relationship marketing in the hotel industry; it also offers an overview of the theory and practice of relationship marketing. It incorporates nine relationship marketing elements: **Thai personality, quality of service, personal attention, customer recognition, product improvement, creativity, trust and commitment, friendship, and social network**. The aim of this model is to assist hotels and marketers to understand the concept of relationship marketing and to incorporate suitable relationship marketing elements into their operations. The model also focuses on the importance of Thai culture and the role that it plays in relationship marketing.

This study makes use of the practical experiences of 41 interview respondents and 369 survey respondents in order to allow hoteliers and marketers to understand the operational processes

which underlie service creation, delivery, and the interactions between customers and hotels. The majority of the previous studies conducted in this area were in the context of Western business environments. However, despite the fact that this study was only conducted in Thailand, it provides a comprehensive overview of relationship marketing in the hotel industry with results that are applicable to a range of Eastern business environments.

1.3. Research aims and objectives

1.3.1. Aim of the investigation

The aim of this research is to explore the scope, nature and forms of relationship marketing in the hotel industry in Thailand. The results of the research provide a valuable insight into relationship marketing in the Thai hotel industry and will hopefully form the basis for subsequent improvements in management practice.

1.3.2. Objectives

- To assess the awareness of the concept of relationship marketing among nationally affiliated hotels, internationally affiliated hotels, and individually owned hotels in Bangkok, Thailand.
- To compare and contrast methods of establishing and managing hotel-customer relationships in Thailand.
- To develop a model of relationship marketing for the hotel industry in Thailand.

1.4. The structure of the thesis

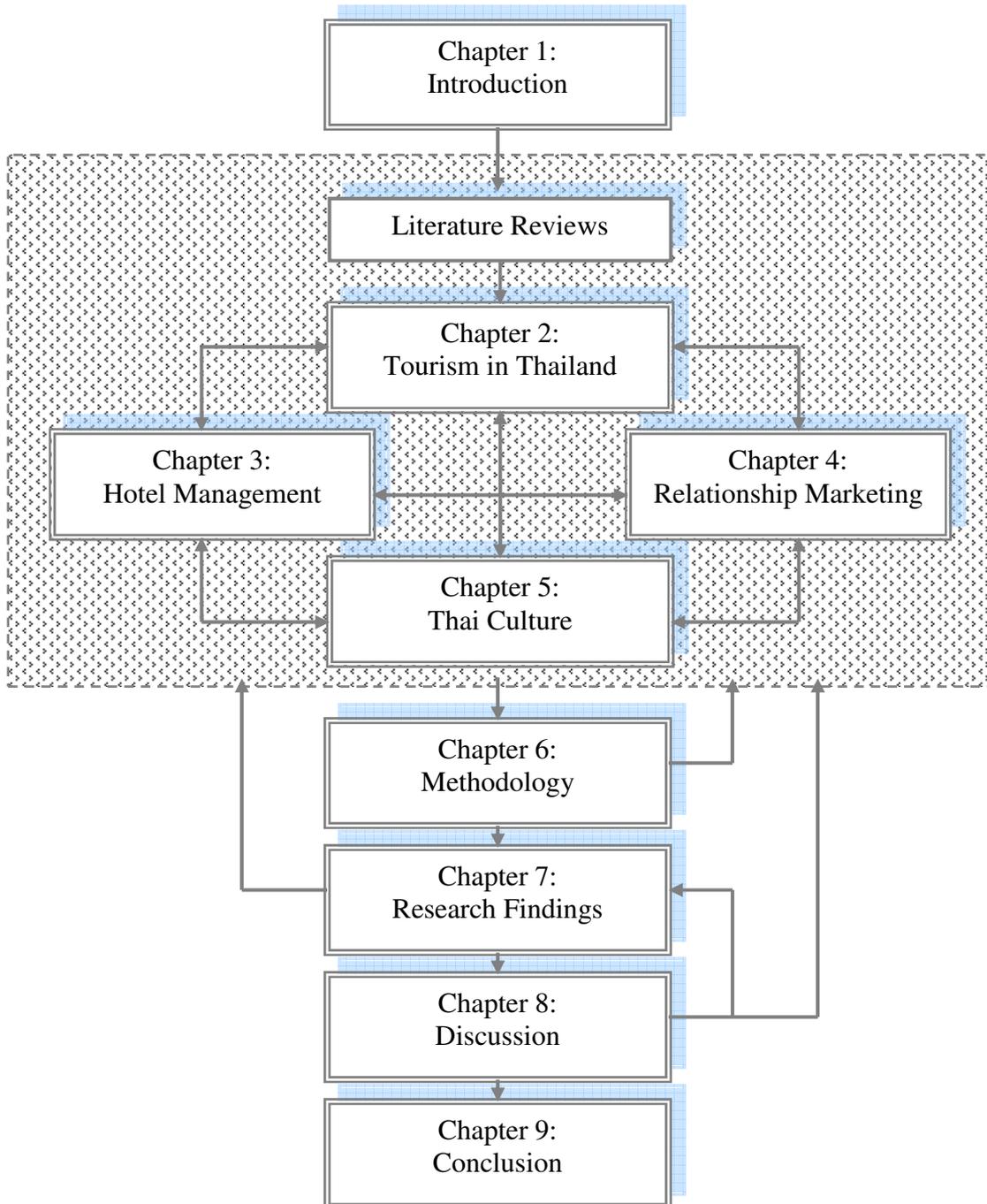


Figure 1.2: Structure of the thesis

As illustrated in Figure 1.1, this thesis consists of nine chapters which comprise a review of the literature, research methodology, research findings, discussion, and a conclusion. The thesis begins with a general overview of tourism in Thailand and discusses reasons for its current economic dominance before focusing on the more specific research context. The

thesis then proceeds to discuss the theories and practices that apply to hotel management, the importance of relationship marketing, and the role played by Thai culture in the development of relationships with customers in Thai hotels. The methodology used in the research is justified, together with a presentation and analysis of the results of the data collected. The thesis concludes by formulating a comprehensive relationship marketing model for the Thai hotel industry.

Key content of the chapters

As a major provider of tourism-related services and products, hotels are becoming an increasingly important focus for researchers in the field of tourism and business. This study highlights the importance of developing long-lasting relationships between customers and hotels and the implications of this on hotel performance, business management and tourism development. It is based on research conducted into the dynamic interactions between customers and hotels and explores the needs, motivations, attitudes, and perceptions of both customers and hotels. The research draws upon the existing literature to develop an original conceptual framework and contribute to existing knowledge in this area.

Chapter 2: Tourism in Thailand provides a broad overview of tourism in Thailand and focuses particularly on the development of the Thai tourism sector. It also provides a broader perspective on the importance of tourism to the Thai economy. It discusses issues which currently affect the hotel industry in Thailand and explores the contribution of Thai hotels to domestic and international tourism.

Chapter 3: Hotel Management provides an introduction to the concept and theory of relationship marketing and outlines its role in the management of hotels. The role of general managers and employees is explored, together with a review of the existing literature in the field of employee-hotel relationships. This chapter also highlights the importance of service quality to the development of customer-hotel relationships and the achievement of customer loyalty in the hotel industry; it particularly emphasises the interpersonal aspect of service management.

Chapter 4: Relationship Marketing focuses on the theory and practice of relationship marketing. It begins with a review of the marketing mix paradigm and a discussion of its

weaknesses. It examines how the failure of the marketing mix paradigm has led to the development of services marketing, networks and business-to-business theories and explores the development of relationship marketing within the context of the service industry. Various schools of thought are examined together with their key concepts and theories. The definition of relationship marketing is discussed as well as the various dimensions and themes that are associated with it. Key relationship marketing strategies and tools that have been successfully applied are also discussed.

Chapter 5: Thai Culture highlights the influence of Thai culture on the success of relationship marketing in the Thai hotel industry. The concept of culture is introduced, and the specific characteristics of Thai culture are discussed. The chapter examines both the positive and negative consequences which are associated with Thai cultural characteristics and how these impact both hotels and customers. The chapter concludes with an analysis of the particular Thai personality traits that influence the management of relationship marketing in Thai hotels.

Chapter 6: Methodology begins by analysing the suitability of quantitative and qualitative methods of analysis in conducting research into relationship marketing with customers, and the relative strengths and weaknesses of these methods. The chapter outlines the aims and objectives of the research, the research design, data collection and analysis.

Chapter 7: Research Findings presents an analysis of the findings obtained from the surveys and semi-structured interviews which were conducted. The chapter begins with an analysis of the data collected from the interviews with hotel staff, and then proceeds to present an analysis of the data collected from the interviews conducted with customers and from customer surveys.

Chapter 8: Discussion of the development of relationship marketing in Thai hotels summarises the findings from the data analysis and presents an original relationship marketing model for the Thai hotel industry. This model incorporates nine relationship marketing elements: Thai personality, quality of service, personal attention, customer recognition, product improvement, creativity, trust and commitment, friendship, and social networks.

Chapter 9: Conclusion concludes the study by presenting the contributions of the study to existing research literature and its implications for hoteliers and practitioners. This chapter also includes an evaluation of the research, an analysis of its limitations and suggestions for further areas of research.

CHAPTER 2: TOURISM IN THAILAND

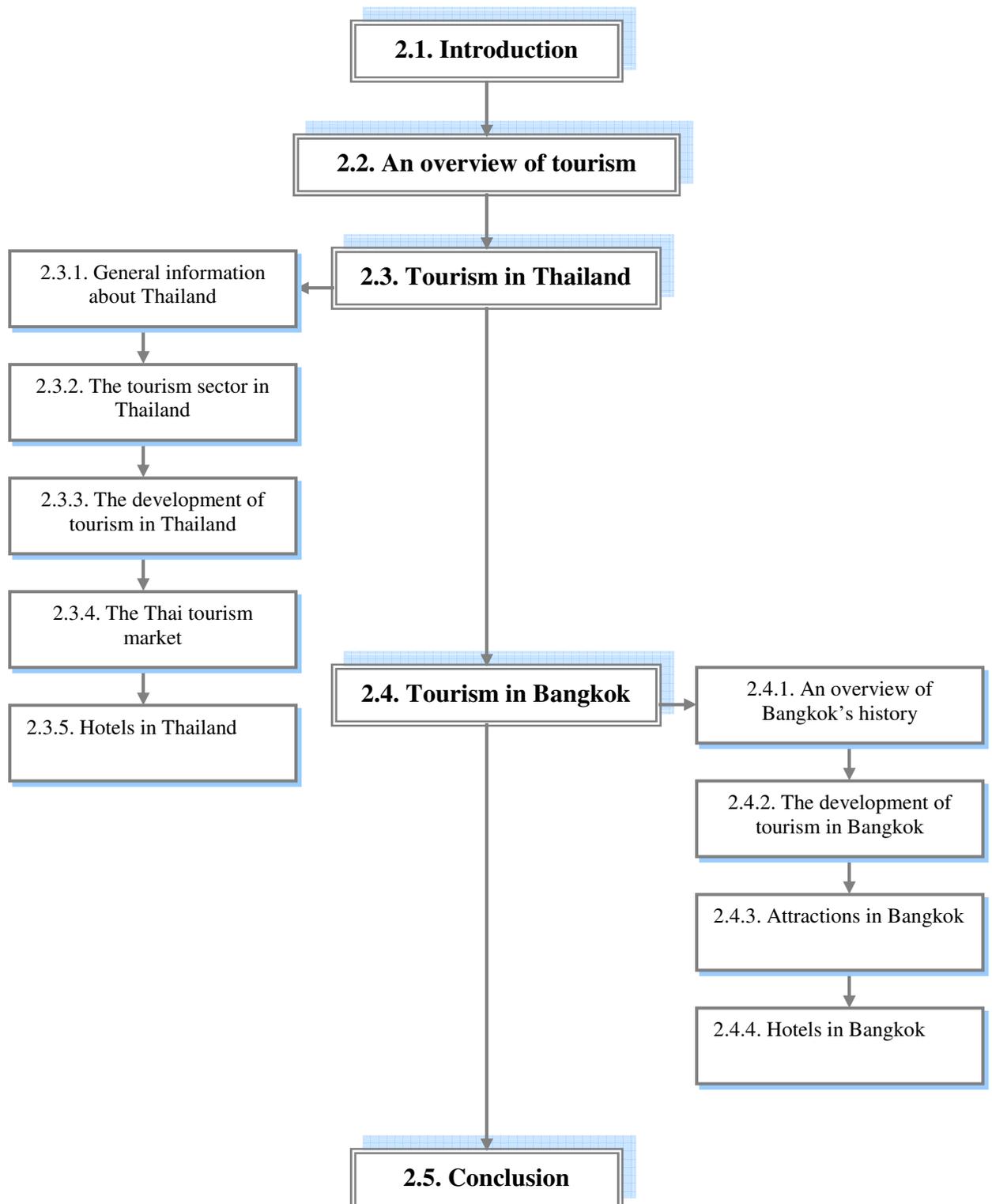


Figure 2.1: Structure of Chapter 2

2.1. Introduction

This chapter provides a general overview of tourism in Thailand and focuses particularly on the development of the Thai tourism sector, its key market segments and the hotel industry in Thailand. It discusses not only the growth in tourism that Thailand has enjoyed in recent years, but also the threats that it now faces as a result of the current economic crisis and recent political unrest. This chapter also examines the popularity of tourism in Bangkok and the initiatives that have been devised by the Thai government and tourist authorities in order to cope with the predicted future influx of tourists.

2.2. An overview of tourism

Tourism is a billion dollar global industry; international tourist receipts in 2007 were USD 856 billion with a total of over 903 million international tourist arrivals (UNWTO World Tourism Barometer June 2008). Tourism plays a key role in the economies of many countries and is a growing source of foreign exchange earnings (Goeldner & Ritchie 2006) in developing countries such as Thailand, as well as being a popular leisure activity. However, the current economic crisis has led to a slowdown in global tourism, with only a 3.7% growth since 2007 in international arrivals during the first eight months of 2008 (WTO 2008). Despite this, the WTTC's long-term forecasts suggest steady growth in world travel and tourism between 2009 and 2018 with an average growth rate of 4.4% per annum. By 2018, the total number of jobs generated by the tourism industry is expected to increase to 297 million and 10.5% of global GDP (WTTC 2008).

This study practically adopts the WTO (2001, p.1) definition of tourism as 'the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited'. This definition highlights the fact that travelling may be undertaken for various reasons. It also demonstrates that tourists' trips generally involve the use of transportation, accommodation, recreation, and other related products and services (Reisinger 2001; Gilbert 2004). The satisfaction of the needs and expectations of tourists in all these areas is essential to ensuring not only the success of businesses in the tourism industry, such as hotels and resorts, but generating wealth for the country as a whole.

Travellers are usually classified as being either domestic or international. ‘Domestic travel’ refers to travel by residents within their country of residence (Cooper et al. 2005), while ‘international travel’ refers to travel outside the country of residence (Cooper et al. 2005). According to the World Tourism Organisation (WTO 2001), there are four primary purposes of travel: business (namely, meetings, conferences and exhibitions), visiting friends or relatives, pleasure (such as holidays, sports and cultural tourism), and other tourism purposes (such as study and health tourism) (see Figure 2.2 below). This classification of travellers is of great assistance when devising effective methods of marketing tourism, particularly within the hotel industry.

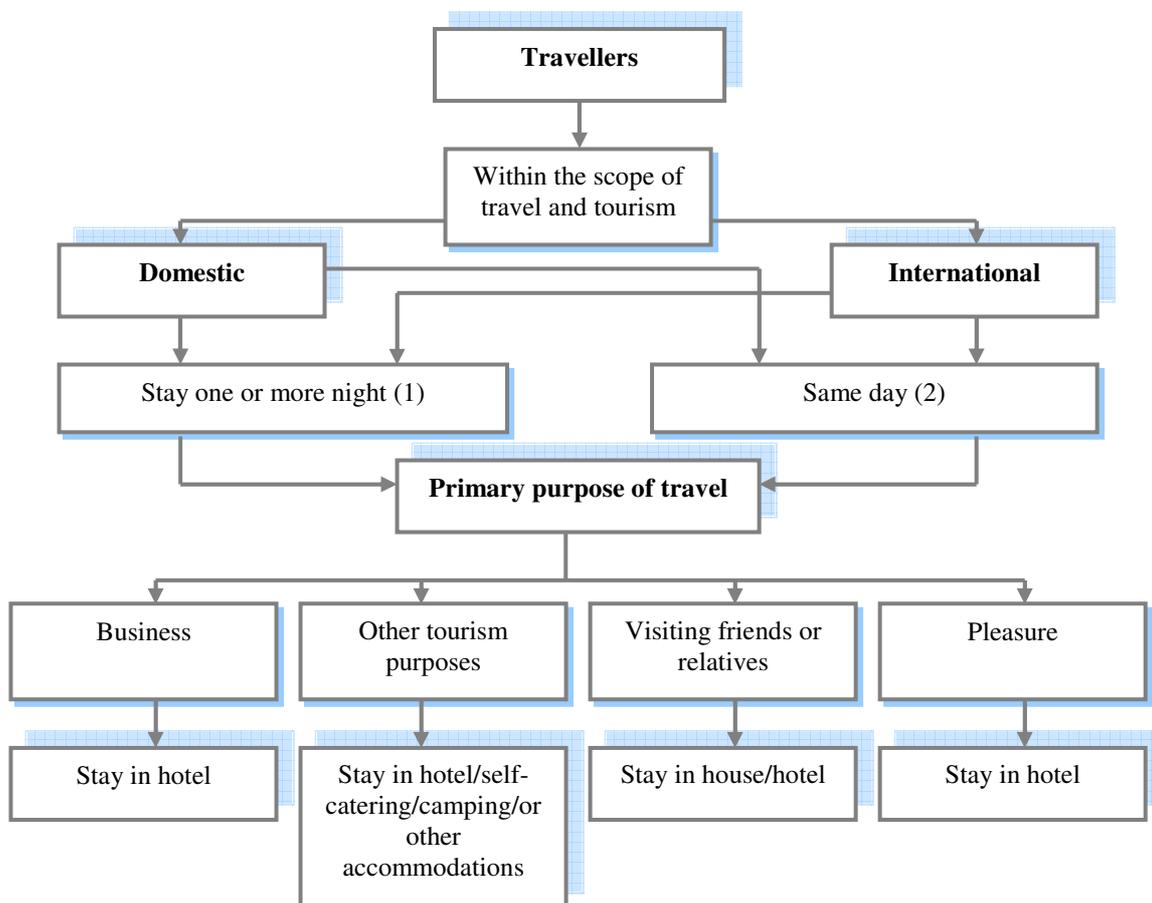


Figure 2.2: Classification of traveller

(Source: Adapted from WTO 2008)

As shown above, the majority of tourists, whatever the purpose of their journey require accommodation when travelling. Hotels are the dominant form of travel accommodation by value due to their popularity with both holiday and business travellers (WTO 2004a).

2.3. Tourism in Thailand

2.3.1. General information about Thailand

Thailand is a country of flat plains, mountains, and tropical rainforests (Wongtes 1999) located in South East Asia. For centuries, it was referred to by outsiders as ‘*Siam*’ and is affectionately known as ‘the land of smiles’ by tourists (Mulder 1992; Meyer & Geary 1993; Wongtes 1999). Thailand has an area of some 510,000 square kilometres and a population of some 60 million (TAT 2008). As is shown in Figure 2.3 below, Thailand shares its borders with Myanmar to the West and North, Laos to the North East, Cambodia to the South East, and Malaysia to the South.



Figure 2.3: Map of Thailand
Source: Phukhao Advertising (2008)

The head of state is King Bhumibol Adulyadej (Rama IX) and the head of government is Prime Minister Abhisit Vejjajiva (SOC 2008). Theravada Buddhism is the state religion and

approximately 95% of the Thai population are Buddhists. Administratively, the country is divided into 76 provinces (TAT 2008), with Bangkok being the capital of the country and the largest city.

Throughout the past half-century, Thailand has experienced periods of political unrest and occasionally experiences insurgent uprisings on its southern border with Malaysia due to separatist fighting. In 2006, a military coup unseated Prime Minister Thaksin Shinawatra and protests at the beginning of December 2008 took place to demand the resignation of the then Prime Minister Somchai Wongsawat. These led to a week-long closure of Bangkok's airports, a move which has adversely affected the Thai tourism industry (Thai Hotels Association 2008).

2.3.2. The tourism sector in Thailand

Tourism is widely regarded as a key strength of the Thai economy (Chon et al. 1993; Peleggi 1996; TAT 2008) and from 1999 to 2008, the fastest growing industry in Thailand was tourism. According to Gibbons and Fish (1988), the number of international tourists visiting Thailand has increased by a multiple of 177 in the 28 years since tourism data was first collected in 1960. Tourism revenue grew from 17 million Baht in 1980 to 110 million Baht in 1990 (Chon et al. 1993). In line with this expansion of the tourism sector, there has been a concomitant growth in the hotel industry. Average occupancy rates increased from about 60 percent in 1986 to 87 percent in 1990 (Chon et al. 1993). The WTTC (2008) forecasts that tourism in Thailand will continue to grow over the next 10 years. Table 2.1 (below) contains key facts about travel and tourism in Thailand for 2008, and the 10-year trend. As shown, the contribution of travel & tourism to the Gross Domestic Product (GDP) is 14.1% (THB 1,280.5 bn or GBP 22.3 bn, GBP 1 to THB 57.48) in 2008 and is expected to rise to 15.4% (THB 2,974.7 bn or GBP 51.8 bn) by 2018, with a predicted 37 million visitors arriving in Thailand in 2020, according to the WTO (2004).

Table 2.1: Thailand: key facts about travel and tourism 2008, and 10-year trend

2008		10-year trend
14.1%	<p>Gross Domestic Product (GDP)</p> <p>The contribution of travel & tourism to Gross Domestic Product (GDP) is expected to rise from 14.1% (THB 1, 280.5 bn or GBP 22.3 bn) in 2008 to 15.4% (THB 2,974.7 bn or GBP 51.8 bn) by 2018.</p>	↑
10.6%	<p>Employment</p> <p>The contribution of travel & tourism to employment is expected to rise from 3,911,000 jobs (10.6% of total employment, or 1 in every 9.4 jobs) in 2008 to 4,856,000 jobs (11.9% of total employment or 1 in every 8.4 jobs) by 2018.</p>	↑
1.4%	<p>Growth</p> <p>Real GDP growth for travel & tourism is expected to be 1.4% in 2008 and to average 5.9% per annum over the next 10 years.</p>	↑
11.3%	<p>Exports</p> <p>Export earnings from international visitors and tourism goods are expected to generate 11.3% of total exports (THB 793.2 bn, USD 23.8 bn or GBP 13.2 bn) in 2008, growing (in nominal terms) to THB 2,005.9 bn (USD 53.1 bn or GBP 33.4 bn), representing 10.8% of the total in 2018.</p>	↓

(Source: WTTC 2008, p. 2)

The predicted increase in international tourists to 37 million visitors by 2020 suggests that Thailand needs to focus on preparing its tourism industry for this influx. However, the priority which is currently given to tourism in Thailand varies depending on the relative importance of tourism in each region and how responsive individual planning authorities are to tourism activities (Daniel & O'Halloran 2002).

2.3.3. The development of tourism in Thailand

Thailand is the third most visited Asian destination, after China and Hong Kong (TAT 2004), and the fourth most popular country in the world according to Condé Nast Traveller magazine (TAT 2008). Thailand's overwhelming popularity as a tourist destination can be attributed to a range of factors. Given its convenient location in the centre of Southeast Asia, Thailand is easily accessible and is the destination of choice for international tourists who fly into Bangkok International Airport (Chon et al. 1993; Peleggi 1996; Noypayak 2001). Thailand is also endowed with a wide range of appealing tourist destinations, both natural (beaches,

seaside, forests and mountains) and historical (antiques, ancient remains and Thai traditions and culture) (Chon et al. 1993; Wongtes 1999). Furthermore, Thailand has a range of highly developed tourism facilities in terms of accommodation, local transport and infrastructure, restaurants, souvenirs and entertainment (Euromonitor International 2008). Finally, tourists are attracted by the hospitality and unique 'Thainess' of the Thai people (Panmunin 1993; Peleggi 1996; Esichaikul & Baum 1998; Ganesan 2006; Renard 2006). The Thai people are 'thought of as natural service workers, with an inference that the people of Thailand are born with hospitality branded to their soul' (Meyer & Geary 1993, p.52). In addition to these factors, Thailand's success in tourism also stems from the fact that the tourism industry is a key priority for the Thai Government which is interested in expanding the budget of the Tourism Authority of Thailand (TAT) in order to promote tourism (Noypayak 2001; Wattanakuljarus & Coxhead 2008). Thailand thus continues to be one of the most popular countries to visit in the world (Euromonitor International 2008).

Thailand's thriving tourism sector is also due to well-designed and effective marketing campaigns by the Tourism Authority of Thailand (TAT) which aims to portray the country as a top-quality destination by enhancing its 'brand image' (TAT 2008). The 'Amazing Thailand' campaign was one of the most significant efforts in raising awareness. This was followed by the 'Thailand Smiles Plus' campaign, in which tourists who stayed one night would receive a second night free in certain hotels. This was combined with the 'Big Smiles Card' that offered discounts in certain hotels, restaurants, and shopping centres, and targeted not only regular travellers, but also companies to encourage them to hold their meetings, conventions and exhibitions in Thailand.

Other organisations have also offered incentives; in 2004, Thai Airways offered 'buy one get one free' flights (Thai Airways 2004) in business class as well as free flights after purchasing a domestic flight ticket to encourage flyers to travel from/to Thailand and to travel within Thailand. As a result, in 2006 international visitor arrivals reached 13.82 million with an increase of 20.01% and 482,319 million Baht (or GBP 8,038.7m) in revenue from tourism alone. This double-digit growth occurred after the slight drop in arrivals following the tsunami disaster at the end of 2004. In addition, in 2007, the number of visitors grew to 14.46 million people, 0.64% up from the previous year with 547,782 million Baht in revenue (or GBP 9,530 m, see Table 2.2).

Table 2.2: International tourists 2002-2007

Year							
	Tourist		Average	Average Expenditure		Revenue	
	Number	Change	Length of Stay	Person/day	Change	Million	Change
	(Million)	(%)	(Days)	(Baht)	(%)	(Baht)	(%)
2002	10.80	+7.33	7.98	3,754	+0.16	323,484	+8.17
2003	10.00	-7.36	8.19	3,774	+0.55	309,269	-4.39
2004	11.65	+16.46	8.13	4,058	+7.51	384,360	+24.28
2005	11.52	-1.51	8.20	3,890	-4.13	367,380	-4.42
2006	13.82	+20.01	8.62	4,048	+4.06	482,319	+31.29
2007	14.46	+4.65	9.19P	4,121P	+1.80	547,782P	+13.57

Note: P=Preliminary data
(Source: TAT 2008)

Domestic tourism (Thai visitors) in Thailand has also become a sizeable industry (Peleggi 1996) and has been stimulated by TAT campaigns targeted at the domestic market such as 'Unseen in Thailand', which featured many destinations that Thais might be aware of but had not yet seen (TAT 2008).

Table 2.3: Domestic tourists 2002-2007

Year							
	Thai Visitor		Average	Average Expenditure		Revenue	
	Trip	Change	Length of Stay	Person/day	Change	Million	Change
	(Million)	(%)	(Days)	(Baht)	(%)	(Baht)	(%)
2002	61.82	+5.45	2.55	1,690	-0.77	235,337	+5.19
2003	69.36	+12.20	2.61	1,824	+7.98	289,987	+23.22
2004	74.80	+7.84	2.60	1,852	+1.53	317,225	+9.39
2005	79.53	+6.33	2.73	1,769	-4.51	334,717	+5.51
2006	81.49	+2.46	2.65	1,795	+1.48	322,534	+81.41
2007	83.23	+2.14	2.63	1,767	-1.55	380,417	+4.15

(Source: TAT 2008)

TAT has established a 2009 action plan in preparation for the predicted influx of tourists over the next few years. The plan aims to achieve a total of 16 million international visitor arrivals in 2009 by enhancing the value perception of Thai tourism products and services. This is fundamental to achieving quality tourism (TAT 2008). TAT plans to target existing markets in Western Europe and key markets in Asia, short-haul markets such as Vietnam and

Indonesia, 'rising stars' such as Russia, India, China, the Middle East and Spain, and regional clusters such as Northeast Asia and ASEAN (TAT 2008). TAT has established five key criteria which tourism organisations need to meet: product and service quality, convenience, cleanliness, safety and uniqueness. These criteria will enable Thailand to successfully differentiate itself from other popular tourist destinations and develop tourism products and services that are well suited to the needs and interests of the modern traveller (TAT 2008). TAT has also introduced several training programmes for tour guides and personnel in the accommodation businesses and restaurants in order to improve the quality of human resources in tourism (TAT 2008). With respect to security for tourists, TAT has organised the Tourist Police to oversee tourist safety and the Tourist Assistance Centre to assist tourists in various matters (TAT 2008). Festivals and activities that feature highly in the marketing plan include the Bangkok International Film Festival, Thailand Grand Sale, and Bangkok Countdown. Many new hotels are being built to support this plan, while the majority of hotels are undertaking renovation compatible with the needs of the customers (TAT 2008).

However, the deterioration of the global economy has posed a challenge to the performance of Thai tourism in 2008. These negative economic factors include the US economic collapse, the weak dollar, and higher fuel costs. Recent figures by the Thai Ministry of Tourism in 2008 show that rising fuel costs have pushed international arrivals at Bangkok's main airport down to 600,000 in August which represents a 33 percent drop from a year earlier. In addition, the week-long closure of airports which resulted from anti-government protests in December has also had a strong negative impact on tourism in Thailand. According to Surapong Techaruwichitir, vice president of the Thai Hotels Association (Powell 2008), hotels in Thailand currently only have 20 to 25 percent occupancy compared to 75 to 85 percent in previous years. As a result, TAT (2008) has revised its arrival target for 2008 down from 20 million to 16 million.

2.3.4. The Thai tourism market

The Thai tourism market mainly consists of tourists from Malaysia, Korea, China, Japan, Russia, Eastern Europe, the United Kingdom, Scandinavia, India, New Zealand, and the United Arab Emirates (TAT 2008). Thai tourism benefits greatly from the continuous expansion of these tourism market segments. In 2007, East Asia maintained the largest market share compared to other areas, and accounted for about 60 percent of the total incoming

market (TAT 2008). Europe constitutes the second largest market share, and the UK and the US are the two leading long haul source countries for Thailand. Thailand's success in increasing the number of incoming tourists from Europe is convincingly demonstrated by the large number of awards that Thailand has received from prominent tourism organisations and media in various European countries. These awards include 'The World's Best Tourist Country' in 2003, 2004, 2006, 2008, and 2009 by 'Stand By Scandinavian Travel' trade journal, 'The Most Popular Destination' by readers of *Reise und Preise* (2004) and the 'Go Asia Award' by Internationale Tourismus Borse 2004 and 2007 (TAT 2009).

Statistics from the Tourism Authority of Thailand in 2008 indicate that international visitors spend an average of 7 days in Thailand. The proportion of male and female tourist arrivals in Thailand varies slightly and is approximately 60 percent and 40 percent respectively each year (TAT 2008). The main purpose of a visit in 2008 was for a holiday (TAT 2008) and tourists arriving in Thailand mostly stayed in hotels (TAT 2008), emphasising the immense importance of the hotel industry to the national economy as a source of revenue.

2.3.5. Hotels in Thailand

Tourists require a location where they can stay and relax during their trip, and an important consideration in any holiday is the accommodation that is available, as well as its standard and price (Martin & Mason 1987; Shackelford 1987). There are many types of accommodation but this study focuses primarily on hotels given that they are undoubtedly the most significant sub sector within accommodation (Cooper et al. 2005). A recent survey by Deloitte (2008) shows a growth in revenue of the hotel industry across the world, despite economic uncertainties. For instance, Asia Pacific reports a 13.3 percent growth in revenue per available room, reaching about USD 100 or GBP 59.

Hotels in Thailand dominate the accommodation industry as they are better established and maintained compared to other types of accommodation, with approximately 87% share of the total accommodation market in 2004, 86% in 2005, and 91% in 2006 (Table 2.4). According to the Thai Hotel Association (THA 2004), this share would have been higher if the SARS epidemic (in 2003), and the tsunami disaster (in 2004) had not affected the region. Due to the increase in international arrivals and the high figures of domestic tourism, in 2006 revenue from hotels showed a remarkable 61.7% increase with 188,953 billion Baht (GBP £3,287.2

bn) compared with 2005. The rapid growth of the hotel sector, particularly in Bangkok, has been of great support to the rapidly growing Thai tourism industry (Peleggi 1996).

Table 2.4: Travel accommodation sales by sector: Value 2001-2006

THB billion						
	2001	2002	2003	2004	2005	2006
Hotels	108,302.0	110,816.8	107,517.6	128,094.5	116,884.7	188,953.0
- Chain hotels	76,587.7	78,175.2	77,753.6	96,377.7	92,192.3	139,785.1
- Independent hotels	31,714.3	32,641.6	29,764.0	31,716.8	24,692.4	49,167.9
Other travel accommodation	17,559.9	17,922.2	17,729.3	18,183.5	17,857.8	18,958.1
Travel accommodation	125,861.9	128,739.0	125,246.9	146,278.0	134,742.5	207,911.1

(Source: Adapted from © Euromonitor International 2008)

Hotels are popular with both international and domestic travellers as hotel prices in Thailand continue to be among the lowest in Asia (Chon et al. 1993). Although Thailand has a large number of the most luxurious hotels, average hotel prices are approximately about half of prices of the hotels in Singapore and a third of the prices in Hong Kong for comparable accommodation (THA 2008). In addition, exchange rates play an important role (Cetron 2001). Compared to other countries such as the UK or Japan, Thailand is a cheap location where the exchange rate is USD 1 to THB 34.74 or GBP 1 to THB 51.90 (TAT 20 November 2008). Exchange rates are important not only in terms of evaluating the cost of accommodation but also the cost of several other aspects of tourism.

In Thailand, domestic travellers generally tend to use three-star and four-star hotels while international travellers prefer more luxurious four and five-star hotels (Euromonitor International 2008). Chain hotel groups dominated hotel sales with over 70% of the total hotel market when compared to individually owned hotels, as there are more four and five-star luxury hotels that attract international travellers (Table 2.4). Chain hotels in Thailand enjoyed significant growth in 2006 in terms of value sales, mainly because of the increasing number of international chains expanding into the country (Euromonitor International 2008). Many hotel chains are part of larger tour operator organisations or multinational companies, and tourists who book their tour packages with travel agencies or tour operators will generally stay in the

related chain hotels rather than booking individually owned hotels (Medlik & Ingram 2000; Barros & Mascarenhas 2004).

As a consequence, many individually owned hotels face enormous pressure from competing big chain hotels; competition is particularly intense in major cities like Bangkok and Pattaya. Some individually owned hotels attempt to win more market share by offering lower rates (THA 2004). However, such price competition means that some small individually owned hotels fail to run a profitable business and are pushed out of the tourism market while others are taken over by large hotel groups. Euromonitor International (2008) estimates that although the Thai hotel industry is expected to grow by about 37% in value terms by 2011, some small/medium sized operators may have to close due to increasing competition from larger hotels or chain hotels that benefit from long term investment, which enables them to provide better quality facilities and accommodation. Unless the small/medium sized operators learn how to compete, their businesses will fail. The Thai government and trade associations are aware of these issues and aims to set up a fund of at least 10 billion Baht to help small and medium-sized tourist enterprises (Chinmaneevong & Theparat 2008). However, in 2006, despite intense competition in the Thai tourism market, individually owned hotels enjoyed almost a twofold increase in sales compared to 2005 which reached 49.2 billion Baht (Table 2.4). This may be due to the increasing popularity of independent boutique hotels (Anhar 2001) which are aimed at niche travellers who are looking for alternative choices, such as ecotourism.

With respect to the overall leading hotels in Thailand, Laguna Hotels & Resorts, which consists of five luxurious five-star hotels (Table 2.6), is the leading hotel company with the biggest market share in 2006 (Table 2.5), followed by the Dusit Thani Group which has the second largest share at 1.7% in 2006 (Table 2.5). The group manages two brands, namely Dusit Thani and Royal Princess, with 15 hotels across the country (Table 2.6). Central Hotels is the third leading hotel company in Thailand (Table 2.5). These top three hotels are owned by Thai shareholders. Dusit International was also awarded 'The Best Hotel Group (Asia Brand)' in the Travel Weekly (Asia) industry Awards 2008, based on over 2 million votes by both expert judges and Travel Weekly (Asia) readers (TAT 2008).

Table 2.5: Hotel owners by market share 2002-2006

% retail value rsp					
	2002	2003	2004	2005	2006
Laguna Hotels & Resorts PCL	2.6	2.6	2.2	2.5	2.0
Dusit Thani PCL	2.2	2.0	2.0	2.2	1.7
Central Plaza Hotel PCL	1.5	1.8	2.1	2.4	1.6
Shangri-La Hotel & Resort Inc	0.9	0.9	0.8	0.9	0.6
Others	92.8	92.6	92.9	92.0	94.1
Total	100.0	100.0	100.0	100.0	100.0

(Source: © Euromonitor International 2008, p.5)

Table 2.6: Top 5 hotel brand owners by key performance indicators 2006

THB million					
	Outlets	Rooms '000	Beds '000	% occupancy	rev PAR (THB million)
Laguna Hotels & Resort PCL	5	1.24	2.592	79	833,608
Central Plaza Hotel PCL	11	2.907	6.719	53	259,700
Dusit Thani PCL	15	3.737	6.727	65	234,000
Oriental Hotel PCL	2	0.503	1.056	54	1,026,000
Shangri La Hotel PCL	1	0.799	3.982	61.9	402,350

(Source: © Euromonitor International 2008, p.4)

These leading hotel groups pride themselves on offering extremely good products and services in order to stand out from the large number of competing hotel operators (Euromonitor International 2008) and encourage more tourists and business travellers to visit Thailand. As a result of these efforts, many hotels in Thailand have won accolades from various tourism organisations (see TAT 2008). Among these hotels, The Royal Cliff Beach Resort is most noticeable for being the first hotel property to win all five ‘Best of Awards of Excellence 2008’ from New York’s Wine Spectator magazine (TAT 2008).

2.4. Tourism in Bangkok

The following section of this study focuses on Bangkok, the capital city of Thailand. It provides background information about the city, including an overview of its history, the development of tourism, its attractions, and hotels.

2.4.1. An overview of Bangkok's history

Bangkok is an international metropolitan city with a population of about 8 million. The city is also the centre of administration, transport, business, communications, education, and entertainment in Thailand (TAT 2008). The name 'Bangkok' previously referred to a small fishing village. It was so named because the village (called *bang* in Thai) was full of wild olive groves and olives are called *makok* in Thai which was shortened to *kok*. The area of Bangkok was later expanded into communities on both sides of the *Chao Phraya* River, and it was instituted as the new capital in 1782 by King *Chakri*, known by his dynastic name Rama I. King *Chakri* originally named the city '*Krung Thep Maha Nakhon*', which means 'city of angels'.

2.4.2. The development of tourism in Bangkok

Bangkok is widely regarded as a highly appealing destination for travellers (Harris 2008), a view which has been confirmed by the results of a poll from the New York based Travel+Leisure magazine (2008), one of the world's leading travel magazines with a readership of about 950,000 per issue. According to the poll (of nearly 200,000 respondents, Travel+Leisure 2008), Bangkok was ranked no.1 in the 'World's Best Cities' in 2008. The evaluation of cities was based on the following criteria: sights, culture/arts, restaurants/food, people, shopping, and value, while hotels were rated in terms of rooms/facilities, location, service, restaurants/food, and value, with optional criteria for businesses and families. Bangkok was also elected as the 'Best City in Asia' in 2007 and 2008 by Condé Nast Traveler (2008) and 'Favourite Holiday Destination in Asia' by TIME in 2006 (TAT 2008).

Bangkok, as the capital city and major travel destination of Thailand, has many direct flights from other capital or major cities around the world, making it easily accessible to international tourists who come to visit Bangkok (Chon 1993; Peleggi 1996). Bangkok remains the most popular destination in Thailand with international and domestic tourism both growing steadily, despite the fact that Thai tourism was affected by the SARS outbreak in 2003 (see Table 2.7 and Table 2.8) and domestic political turmoil, rising fuel prices and interest rates in 2006. The growth of tourism in Bangkok has also been boosted by the successful hosting of a series of important events and festivals. Among them, the most noticeable was the royal celebrations for the 60th anniversary of the King's accession to the throne. The celebrations not only attracted overseas tourists who admired Thai culture, but also promoted domestic

tourism. Two additional public holidays for this event enabled many Thais to travel to Bangkok for the celebrations.

Table 2.7: International tourists in Bangkok 2002-2007

Year							
	Tourist		Average	Average Expenditure		Revenue	
	Number	Change	Length of Stay	Person/day	Change	Million	Change
	(Million)	(%)	(Days)	(Baht)	(%)	(Baht)	(%)
2002	9.74	+9.20	2.84	4,209	+0.51	113,042	+9.66
2003	9.78	+0.44	3.46	3,987	-6.39	128,293	+13.49
2004	11.70	+19.63	3.44	4,038	+1.26	155,391	+21.12
2005	12.27	+4.86	3.73	3,791	-6.11	165,946	+6.79
2006	12.37	+0.84	3.26	3,765	-0.70	145,648	-12.23
2007	11.63	-6.01	3.56	3,742	-0.61	147,266	+1.11

(Source: TAT 2008)

Table 2.8: Domestic tourists in Bangkok 2002-2007

Year							
	Tourist		Average	Average Expenditure		Revenue	
	Number	Change	Length of Stay	Person/day	Change	Million	Change
	(Million)	(%)	(Days)	(Baht)	(%)	(Baht)	(%)
2002	16.78	+8.18	2.82	2,753	+0.12	109,813	+7.76
2003	19.52	+16.35	2.94	3,212	+16.67	139,466	+27.00
2004	21.09	+8.03	2.89	3,248	+1.12	151,483	+8.62
2005	22.57	+7.01	3.76	2,954	-9.04	184,815	+22.00
2006	23.80	+5.45	3.66	2,924	-1.02	190,974	+3.33
2007	24.33	+2.20	3.53	2,867	-1.95	186,145	-2.53

(Source: TAT 2008)

The Thai government is committed to improving public transportation in Bangkok to support the tourism industry (Harris 2008). There are currently two airports in Bangkok which are open for both domestic and international flights - *Don Muang* Airport and *Suvarnabhumi* Airport. The *Suvarnabhumi* Airport was officially opened in 2007 and claims to be the biggest airport in Asia. There are also two railway stations in Bangkok. *Hualamphong* Railway Station handles services to the North, North East and most of the services to the South, while *Thonburi* Station handles services to the South. In addition, Bangkok's Sky Train has revolutionised travel within the main financial districts of Bangkok. The system is

generally recognised for its advantages of speed, punctuality, cleanliness and relatively cheap prices. Finally, the Bangkok subway was launched in July 2004. The subway route is 20 kilometres long with 18 stations and three interchange stations.

2.4.3. Attractions in Bangkok

To maintain the appeal of Bangkok as a popular destination, the Thai government and tourism organisations invest heavily in developing tourist attractions. Key tourist attractions in Bangkok include shopping, cultural heritage, Chinatown, and the city's nightlife.

Shopping

Shopping accounted for 28% of Thai tourism expenditure in 2008. Cheap, high-quality products have made Bangkok a shopping destination for both international and domestic tourists, particularly for Asian neighbours such as Japan, Singapore, Hong Kong or Taiwan (Walton 1993). In addition, the weak Thai Baht encourages more spending from international visitors. Bangkok is filled with department stores, most of which are open from 10.00am to 10.00pm on every day of the week, with night markets continuing to trade until midnight. TAT (2008) has attempted to promote the image of Thailand as a shopping paradise, in direct competition with other Asian tourism shopping giants such as Singapore and Hong Kong. This image is strengthened by the 'Amazing Thailand Grand Sales' promotion when stores throughout the country offer discounts of 15 to 80 percent.

Cultural heritage

Thailand has over 26,000 temples, many of which are located in Bangkok (Wongtes 1999). The temple or monastery, colloquially known as a '*wat*', is where much of Thailand's traditional culture originated. The Grand Palace and Temple of the Emerald Buddha and the Temple of the Dawn in Bangkok are premier cultural heritage attractions. According to TAT (2008), the Grand Palace is one of the most popular tourist attractions in Thailand today, while the Temple of the Dawn is one of the best known landmarks and one of the most published images of Bangkok.

Chinatown

Chinatown is one of the most fascinating districts in Bangkok (TAT 2008) and represents 300 years of cultural development. Chinatown has been a permanent Chinese Thai residential area since 1782 (TAT 2008) and offers visitors a variety of products such as jewellery, metalware,

pottery, handicraft, food, and fabric at cheap prices. The area is popular with both international and domestic tourists, including Chinese visitors from Mainland China, Taiwan and Hong Kong (Chon et al. 1993).

Nightlife

Bangkok is rapidly establishing itself as Asia’s capital of entertainment, with live music, jazz clubs, bars, and restaurants (Peleggi 1996), many of which are within easy access of the new Sky Train and subway. The city’s nightlife is recognised by most tourists as vibrant and enjoyable. Many first class hotels accommodate high quality nightclubs and discotheques, and pubs and bars can be found all over the city. By law, all bars and clubs should close at 1 or 2 am (2 am for places with dance floors and live music), but the nightlife is far from curtailed as entertainment activities move to late-night discos where the partying continues throughout the night. Bangkok’s vibrant nightlife comprises a key reason for the increasing number of tourists which visit Thailand every year (Section 2.3.4).

2.4.4. Hotels in Bangkok

Research by TAT (2008) suggests that hotels in Bangkok play an important role as gateways to Thailand for the majority of visitors. As is shown in Table 2.9 (below), the number of tourists staying in hotels in Bangkok is increasing year-on-year (except for 2003 and 2007) and hotels accounted for more than 50% of total accommodation (except for 2003) from 2002 to 2007.

Table 2.9: International and domestic tourists staying in Bangkok hotels

Year				
	Domestic tourists (Thai tourists)	International tourists	Total	% of total accommodation
2002	1,922,746	8,813,320	10,736,066	55.04
2003	2,057,928	7,685,323	9,743,251	45.41
2004	2,457,823	9,907,832	12,365,655	50.46
2005	2,873,884	10,519,754	13,393,738	51.45
2006	3,197,181	10,673,145	13,870,326	50.92
2007	3,468,287	9,851,462	13,319,749	67.96

(Source: TAT 2008)

Domestic and business travellers often visit Bangkok for meetings and conferences (TAT 2008) in contrast to international tourists who usually stay in Bangkok for 2 to 3 days and

then move to visit other regions in Thailand (TAT 2008). Hotels in Bangkok are famous for their capability to host business functions. Bangkok was the only Asian city selected by Meetings & Incentive Travel magazine of the UK as one of the 'Top 5 cities for long haul meetings and incentives' (TAT 2008).

Competition between hotels in Bangkok is far more intense than in any other part of Thailand. In order to attract more customers, hotel companies continue to improve their facilities as well as offering feature services such as spas or golf courses. Many hotels also focus on improving their facilities for business centres as well as organising seminars, conferences and other business events. These initiatives were proposed by the Thai government which aims to improve the image of Bangkok as an established business centre in Asia (TAT 2008) and make Bangkok more appealing to international and domestic tourists.

Hotels in Bangkok have won awards from many well-known organisations for their excellent products and services, particularly for the considerate personal attention given by hotels to their customers. For instance, The Peninsula Bangkok was named the 'World's Best Hotel for USD 250 or less' by Travel+Leisure in 2007. The Oriental Bangkok also featured in the list of the 'Top 100 Hotels' (ranking 3rd) and has been ranked as the number one 'City Hotel Spa' every year since Travel+Leisure began ranking spas in 1999 (up to 2008, TAT 2008). Furthermore, the Institutional Investor's annual ranking of the world's top hotels claims that in its 25 year history, only five hotels can claim the honour of appearing in their ranking list every year since 1981 (up to 2008) and The Oriental Bangkok is one of them (Institutional Investor 2008). Larger hotel groups, including the Four Seasons Bangkok, the Peninsula Bangkok, the Shangri-La, and the independently-owned Sukhothai were also well recognised by 'Forbes Traveler 400 hotels' (Harris 2008), while other hotels which were named in the list of 'Asia's best hotels' included the Banyan Tree, Royal Orchid Sheraton Hotel & Towers Bangkok, JW Marriott, Bangkok, and Sheraton Grande Sukhumvit, Bangkok.

2.5. Conclusion

As discussed in this chapter, tourism is of great significance in Thailand. As an important source of income for the Thai national economy, growth in tourism not only directly contributes to Thailand's GDP, but also has significant influences on the Thai people. Thailand has become an increasingly popular destination with both international and domestic

tourists, and its popularity can be attributed to many factors, including its unique cultural heritage, natural scenery, shopping, nightlife, and culture. The increasing number of tourists has led to a demand for more, and higher-quality, accommodation, underlining the key role of hotels in the general tourism performance of Thailand. This has been recognised by the Thai government and tourism authorities who are striving to raise the quality of products and services provided by hotels in order to promote the appeal of Thailand to tourists. With such a considerable volume of visitors each year, the economic potential of the hotel industry has been recognised and exploited by parties with various interests. This is the principal reason for this report which focuses on relationship marketing within the Thai hotel industry. The next chapter continues to focus on the hotel industry by beginning with a discussion of hotel management.

CHAPTER 3: HOTEL MANAGEMENT

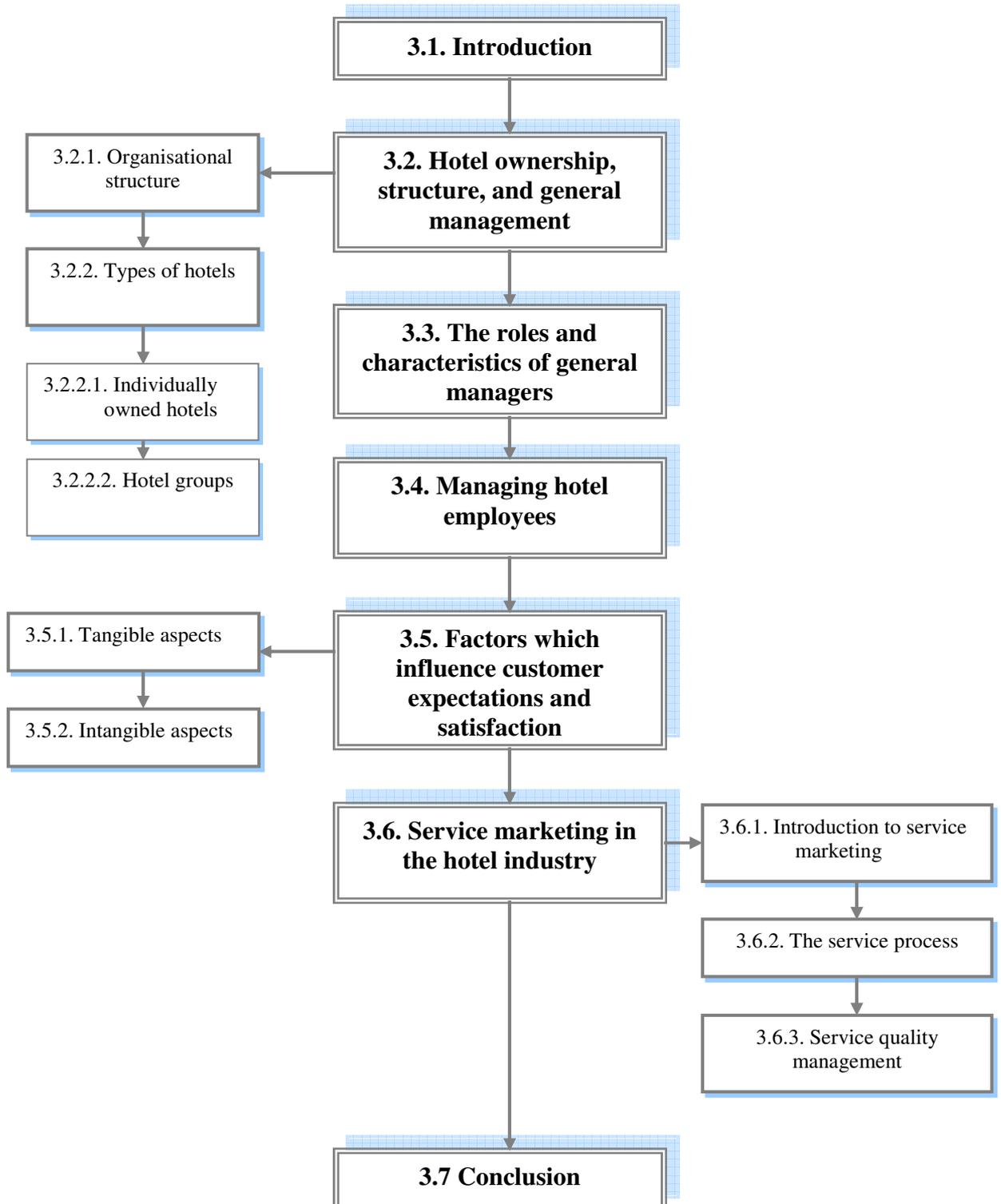


Figure 3.1: Structure of Chapter 3

3.1. Introduction

As demonstrated in Chapter Two, the tourism industry is currently the largest sector in world trade and has demonstrated the greatest level of growth in recent years. Such rapid growth has led to a concomitant increase in demands for adequate tourist accommodation. The hotel industry, being the major source of accommodation for tourists, has thus become crucial for many countries (Nailon 1982; Medlik & Ingram 2000), especially for those, such as Thailand, whose economies are dominated by tourism (Meyer & Geary 1993; Panmunin 1993; Medlik & Ingram 2000). Excellent hotel management is a key driver of the development of the hospitality industry (Ingram 1995; Rutherford 1995; Kriehl 2000), and may generate an increase in GDP.

The expansion of the hotel industry has spawned the development of a growing number of researchers, practitioners, schools and courses in this area which have been established in order to educate and train people who are involved in the industry. Although a number of related topics have been discussed, more focus is generally given to management activity and industry development (Gray & Liguori 1990; D'Annunzio-Green 1997). There are a number of factors which affect the way in which hotels conduct their management activities. However, as mentioned in Chapter One, this study focuses primarily on the aspect of relationship marketing with customers in the Thai hotel industry; this chapter is therefore concerned with the five major factors which influence hotel management in the area of relationship marketing. These factors consist of hotel ownership, structure, and general management, the roles and characteristics of general managers, the management of hotel employees, the factors which influence customer expectations and satisfaction, and service marketing in the hotel industry (Figure 3.1).

3.2. Hotel ownership, structure, and general management

The Oxford Advanced Learner's Dictionary (2005 p.604) defines a 'hotel' as 'a building where people stay, usually for a short time, paying for their rooms and meals' and defines a 'hotelier' as a 'person who owns or manages a hotel'. This definition is used throughout this thesis.

The research which has been conducted thus far into the areas of hotel business and management can be categorised into two schools of thought. The first school of thought claims that the hotel industry has specific characteristics which distinguish it from other industries and therefore requires the formulation of a unique management theory and practice (Keiser 1989; Campbell & Verbeke 1994; Sarathy 1994; Reisinger 2001). Researchers who subscribe to this school of thought believe that the hotel industry is characterised by a strong focus on service and people, complex quality control due to the intangible nature of services provided, and a labour force with low levels of productivity (Keiser 1989; Reisinger 2001). Riley (2000) in particular argues that the hotel industry is uniquely characterised by frequent fluctuations in short-term customer demand and subjective standards due to the difficulty of quantifying service quality. He formulates the managerial tasks of running a hotel as a set of systems and processes. Nailon (1982, p.141) suggests that 'hospitality management can be seen as the active co-ordination and balancing of the inter-relationship of these systems represented by the external environment, the human resources, the technical infrastructure and the management information system'.

The second school of thought disagrees with the view that the hospitality industry requires a unique management style, and claims that 'there is nothing special about either management or hospitality management' (Wood 1983, p.104), a view which is also endorsed by Gray and Liguori (1990). Levitt, for example, claims that the focus on the provision of service within the hospitality industry does not distinguish it from other industries because 'there are no such things as service industries. There are only industries whose service components are greater or less than those of other industries and everyone is in service.' Mullins (1998) concurs by stating that the hotel industry is 'in need of management in order to operate effectively in the same way as any other industry' (pp.21).

This study, however, subscribes to the first school of thought, and proceeds on the premise that the hotel industry is significantly different from other industries because of the nature of the services that hotels offer to their customers. A key defining characteristic of the hotel industry, for example, is the dominant role played by people and the direct contact and interactions that frequently take place between staff, customers, and hotel owners (Mullins 1998). The importance of human interaction in the hotel industry has led to a growing emphasis on developing long-term relationships with customers, in contrast to the focus on

product standardisation, direct channels of distribution and discounting which prevailed in the 1970s (Teare 1991; Crawford-Welch 1992).

3.2.1. Organisational structure

The organisational structure of an industry provides a framework within which the general manager can plan, organise, direct, and control according to the goals and objectives of the organisation; this leads to the development of formal organisational relationships between individual members within the structure (Keiser 1989; Mullins 1998) such as the established flows of authority and responsibility which are normally associated with the traditional hierarchy of superior-subordinate (Mullins 1998). The organisational structure of an industry can be depicted in the form of an organisation chart. This can be useful in depicting the patterns of authority, responsibility, and activity of the people who are involved in hotel management (Wood 1994). Another purpose is to show how work is divided, the lines of communication and the existing formal relationships (Nebel 1995). An example of the organisational chart of a hotel is given in Figures 3.2, 3.4, and 3.5.

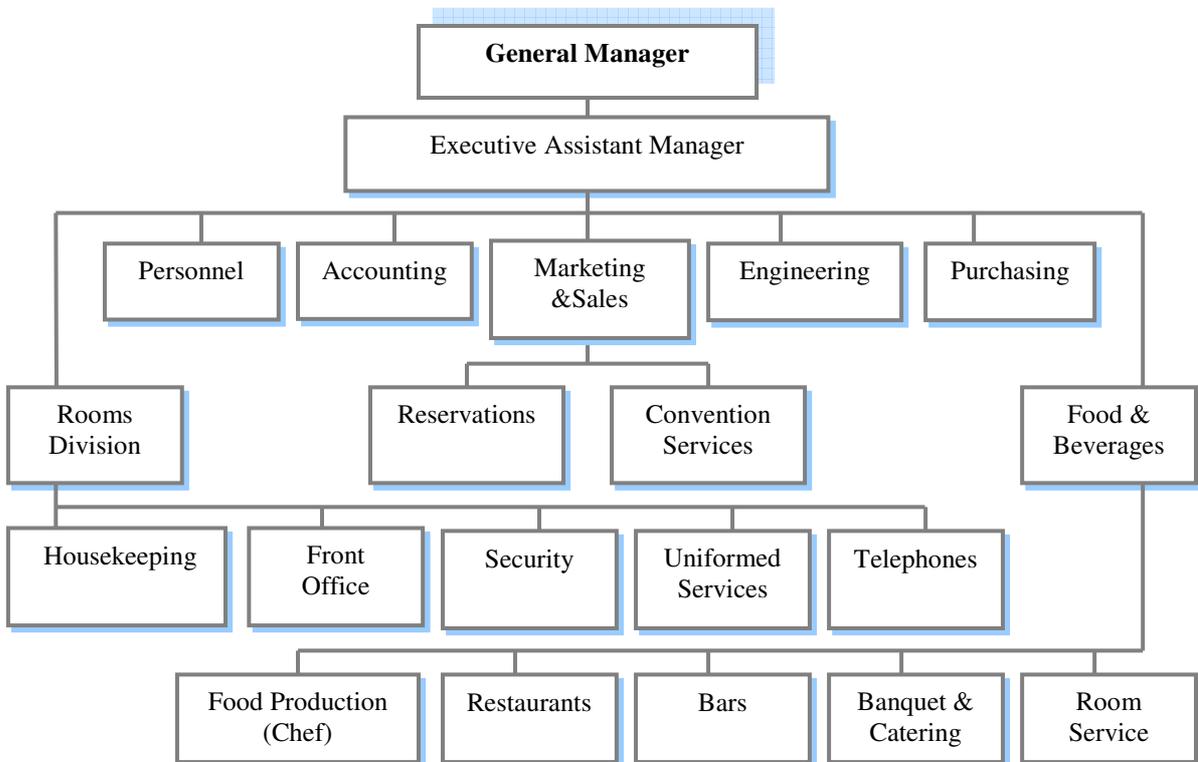


Figure 3.2: A typical organisation chart for a large hotel
(Source: Rutherford 1995, p. 31)

Figure 3.2 represents a typical organisation chart for a large hotel. The general manager is in the highest position followed by the executive assistant manager, heads of department, and employees. The general manager is the key person who controls all the line functions. Some departmental functions within each line division involve essential guest contact depending on the nature of the jobs. For example, the front office staff may have most face-to-face guest contact while housekeeping staff will usually only have contact with guests if they have to deal with room service. The nature of these interactions strongly influences the customers' perceptions of service quality (Hartline & Ferrell 1996).

Traditional theories of organisational structure emphasise the fact that senior management are at the top of the power structure followed by the employees and then the customers. In the hotel industry, however, many researchers believe that emphasis should be placed on cultivating a long-term customer relationship; the organisational pyramid should therefore be inverted so that the primary focus is on the customer (e.g. Mullins 1998; Redman & Mathews 1998; Mudie & Cottam 1999; Grönroos 2007).

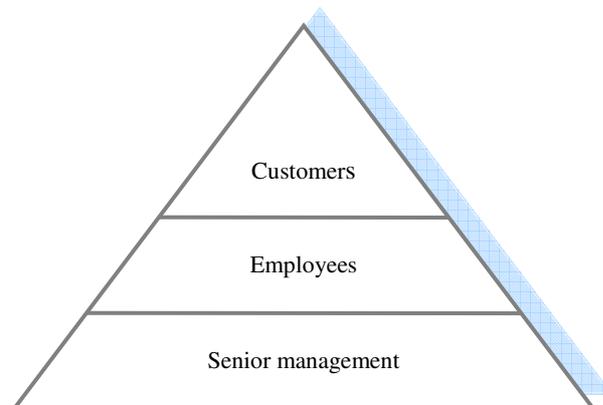


Figure 3.3: The inverted power structure of the hotel industry

As is shown in Figure 3.3, the customers are at the highest level of the triangle. The front-line employees i.e. those who interact with the customers, are at the second level and the senior management are at the bottom of the power structure. This structure is generally applied in successful hotels that understand the importance of the customer and the employee and place greater emphasis on them (Mullins 1998). This power structure also reflects the shift of operational decision-making from senior management to those involved in hotel-customer interactions. This enables employees who are involved in interactions with customers to make

their own decisions in order to solve problems as they arise, rather than ascribing to a more centralised decision-making process.

Effective hotel management requires thorough knowledge and a practical plan (Kotler et al. 2003). Phillips (1999) reveals that successful hotels must have creative goals, objectives and philosophies which, if achieved, will attract customers, stimulate interest, and meet customer expectations. Rutherford (1995) suggests that hoteliers need to make sure that the communication between the hotel's staff organisation and the guests is managed in such a way to ensure that guests are always served on time, correctly, and in line with the hotel's policy. Moreover, effective hotel management needs to occur within the framework of a strong organisational culture (Wood 1994; Woods 1996; Ingram 1999; Mudie & Cottam 1999). Organisational culture, or corporate culture, comprises the attitudes, experiences, beliefs and values of an organisation (Hill & Jones 2001, Lucas 2004). It controls the way people interact with each other and with stakeholders outside the organisation (Corthouts 1991; Langhorn 2004). Hence, an effective hotel needs to create an organisational culture that is centred on organisational success i.e. a people-focused organisational culture (Wood 1994).

However, different types of hotels may consist of different structures, management styles, and operations (Jones 1999). The following section examines how these aspects may differ between individually owned hotels and hotel groups.

3.2.2. Types of hotels

There are many different types of hotels and several ways to categorise them. Medlik and Ingram (2000) have devised a range of criteria for classifying the main types of hotels as presented below. (Criteria number 9 was used as the primary method of categorising the hotels discussed in this study (see Section 6.7.1.1)).

1. Location: whether the hotel is located in a city, town or the countryside, and the position within its location e.g. town centre or suburbs.
2. Relationship with a particular means of transport: e.g. motels, railway hotels or airport hotels.
3. The purpose of the visit and the main reason for the guest's stay: e.g. business hotels, convention hotels, holiday hotels.
4. Duration of a guest's stay: e.g. transit or residential hotels

5. Range of facilities and services: e.g. hotels which are open to both residents and non-residents, hotels which provide overnight accommodation and breakfast only, apartment hotels etc.
6. Licensed and unlicensed hotels
7. Size of hotel: e.g. number of rooms or beds - a large hotel would typically have several hundred beds or bedrooms
8. Class or grade as decided by hotel guides and classification systems: e.g. five-star luxury hotels or one-star basic hotels
9. **Ownership and management of the hotel:** e.g. chain hotels, or individually owned, independent hotels

This study categorises hotels into groups of national chain hotels, international chain hotels, and individually owned hotels in order to obtain a comprehensive analysis of the data. In the following sections, both individually owned hotels and hotel groups are described with a profile of their main distinguishing characteristics; the focus is on the ownership and management structure of each group.

3.2.2.1. Individually owned hotels

Individually owned hotels are owner-managed hotels in which there is a high level of personal involvement by the administrator in the usual conduct of the business.

A significant body of literature has defined individually owned hotels in terms of their specific characteristics, motivations, and managerial practices. For instance, Medlik and Ingram (2000) state that individually owned hotels tend to have close contact with the customer with a less formal approach; this enables them to adapt their services relatively easily to the requirements of different guests. Individually owned hotels also tend to rely more on personal recommendations by guests and repeat visits to promote their service, which is different from hotel groups which tend to rely more on promotional methods such as advertising (Medlik & Ingram 2000). Similarly, the work of Glancey and Pettigrew (1997) states that competition among individually owned hotels is based on factors such as quality and provision of service, and the majority of these hotel owners rely on repeat business and referrals. This may be due to the fact that the majority of such owners have limited investment capital, and so the owner therefore needs to market the hotel with a more personal touch in

order to generate a substantial volume of repeat business (Gilpin 1996). However, despite the limited access to resources that often characterises smaller hotels, Morrison and Conway (2007, p.56) suggest that 'survival and sustainability of the small hotel firm is dependent on an appropriately dynamic and effective set of management competencies to engage with and benefit from radical and extensive modernisation and restructuring across marketing practices, organisational configurations, financial models, operational organisation, and physical facility design and scale'. Individually owned hotels can effectively position themselves to provide a highly personalised, unique and innovative service (Morrison & Thomas 1999) which some guests may prefer to the uniformity and anonymity of large hotel chains.

However, there are a few inherent weaknesses which are often associated with individually owned hotels which are run by a family. These include a lack of commercial drive and initiative (Wanhill 1997) owing to non-economic motives for operating the business (Wanhill 1997; Lucas 2004), limited skills and experience in marketing, quality assurance, pricing policy, cost control and re-adjustment (Wanhill 1997), and limited capital for marketing and the improvement and expansion of hotel facilities (Main 1995; Wanhill 1997; Lucas 2004). Lucas (2004), in particular, argues that small individually owned hotels are less likely to invest in training for their employees due to lack of sufficient capital; this may consequently lead to a failure of staff to work effectively and professionally. Furthermore, Main's work (1995) demonstrates that individually owned hotels are generally unwilling to invest in information and communications technology. Lack of adequate information and communications technology may prevent the hotel from building up competitive advantage. As Paraskevas and Buhalis (2002) suggest, utilising the internet would help these hotels to develop in the areas of communication, personnel, sales, advertising, business intelligence, and strategic alliance. Getz, Carlson and Morrison (2004, p.82) also suggest that effective relationship marketing is particularly important in family-run hotels, and it is essential for the 'business and guest to engage in permanent dialogue'. These weaknesses may decrease the capability of individually owned hotels to compete in highly competitive markets, but some hotel owners choose to circumvent these issues by pursuing alternative strategies such as joining marketing co-operatives or becoming part of a franchise as explained in the next section.

Individually owned hotels generally have a relatively simple organisational structure (Medlik & Ingram 2000). In small individually owned hotels, the owner and general manager is

typically the same person and manage the hotel on a day-to-day basis (Gray & Liguori 1990; Jones 1999). The division of work is simple and designed to help the owner to easily make decisions and directly supervise all employees (Lucas 2004, see Figure 3.4). In larger individually owned hotels, the business may be owned by one person, a family or a group of shareholders (Jones 1999). In this case, management is divided into various departments, and a general manager provides a link between the senior management and heads of department (see Figure 3.2).

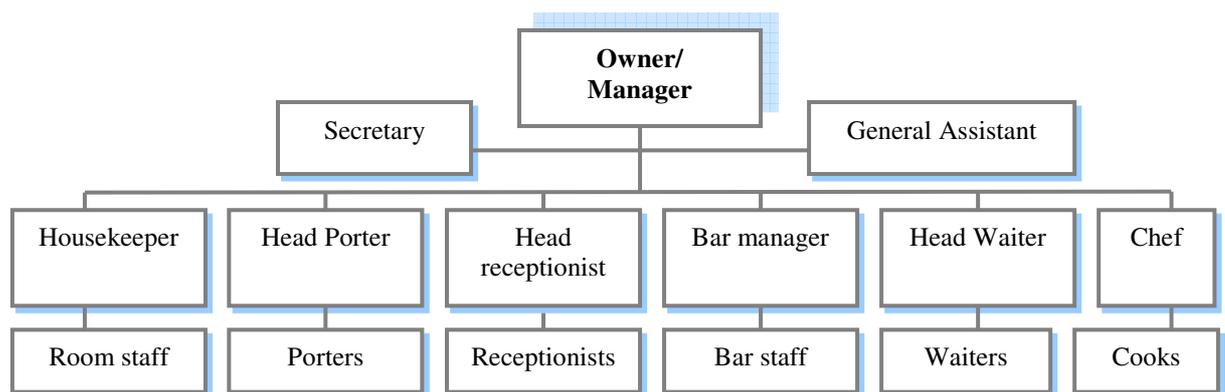


Figure 3.4: Organisation chart of a small/individual hotel

(Source: Medlik & Ingram 2000, p.44)

Figure 3.4 shows the organisation chart of a small, individually owned hotel. Individually owned hotels are usually organised along functional lines with departments grouped according to the particular work activity in which they are engaged (Nebel 1995). For example, in Figure 3.4, the hotel is divided along functional lines into six separate administrative areas: housekeeper, head porter, head receptionist, bar manager, head waiter, and chef. The six departmental heads report directly to the general manager. This provides flexibility in the deployment of staff and saves time. The owners also maintain full responsibility for all human resource management functions (Watson & Litteljohn 1999). This organisational structure usually differs quite substantially from that of hotel groups, which is generally more complex.

3.2.2.2. Hotel groups

The growth of the hotel industry has been increasingly associated with the predominance of hotel groups (Powers 1995; Medlik & Ingram 2000). Hotel groups generally operate hotels which are owned or leased under franchise agreements or management contracts (Gray &

Liguori 1990; Medlik & Ingram 2000). Franchising can be defined as ‘a business relationship whereby a franchisor permits a franchisee to use their brand name, product, or system of business in a specified and ongoing manner in return for a fee’ (Felstead 1993, p.58). A management contract is a written agreement between the management company and the hotel owner in which the owner employs the management company to manage his or her property in a professional manner (Eyster 1988).

Weber (2001) suggests that hotel chains are likely to have better trained personnel because they generally have a greater level of capital support. As a consequence, unlike independent hotels they can often provide higher standards of service across the entire chain of hotels. These findings coincide with Jones’ work (1999). Jones claims that franchise or chain hotels usually have professional management and provide higher standards of professional service. They are better able to meet customer expectations through the provision of consistently high-quality products and services that meet the needs of customers (Gilpin 1996). This type of hotel can also attract high-quality staff through the prospects and benefits on offer (Weber 2001) which generate high levels of staff commitment and low turnover (Wood 1997; Carbery et al. 2003) (As mentioned in the previous section, choosing to become part of a franchise is a strategy which is sometimes considered by individually owned hotels.) In addition, chain hotels are more likely to attract niche groups such as business travellers and package tourists by means of discounts, loyalty incentives and rates negotiated with travel agencies (Barros & Mascarenhas 2004). Furthermore, each hotel within the group can promote other hotels and generate business by recommendation (Hitt et al. 2000). This can create a strong brand image in the market, which may help to promote the name, facilities and standards of the hotel group among consumers (Medlik & Ingram 2000). Hotel groups can also utilise advanced technology to provide centralised facilities (Weber 2001).

Due to their complex organisational structure, however, hotel groups may experience problems of communication and control (Go & Christensen 1989), such as delays or misunderstanding in the transfer of information (see Figure 3.5). Furthermore, hotel groups are frequently multi-site organisations and encompass many departments, which may cause issues of human resources management to arise (Lucas 2004; Litteljohn 1997). Additionally, a large amount of capital investment is typically required if a hotel group plans to develop any of their products or services (Alexander & Lockwood 1996).

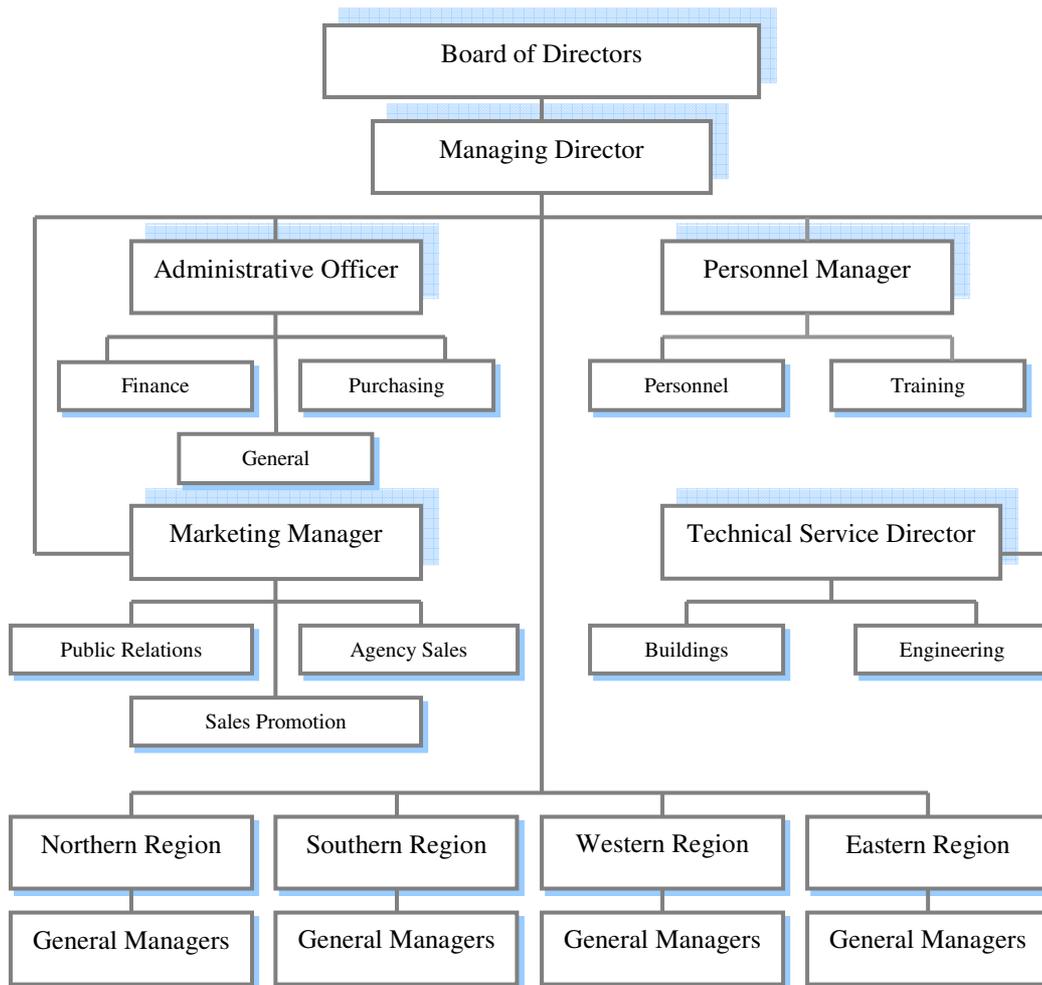


Figure 3.5: Organisation chart of a large hotel group

(Source: Adapted from Medlik & Ingram 2000)

Figure 3.5 shows the organisation chart of a large hotel group, and clearly demonstrates that the board of directors is in the highest position, followed by the managing director. The managing director is concerned with the enforcement of agreed targets and standards of hotel performance (Medlik & Ingram 2000). The central departments are grouped into four and the hotels are grouped into four regions. The managers of individual departments and hotel managers are under the supervision of the managing director (Medlik & Ingram 2000).

There are two kinds of hotel groups which are a particular focus of this thesis.

1. **International chain** organisations which operate in more than one country and serve as management companies for hotels under their franchise systems or management contracts. This includes chains such as Hilton, Sheraton and Mandarin Group. Such

chains usually have a referral system which ensures that the properties and their ownerships are members, such as Best Western (Powers 1995).

2. **National chain** companies such as Dusit Thani Group, Central Hotels, and Amari Hotels and Resorts which only manage properties in Thailand (Section 2.3.5).

These two groups are somewhat similar in the strengths and weaknesses that they possess, as explained above. Most hotel groups share information with each other through the use of advanced technology systems such as the Central Reservation System (CRS), Central Information System (CIS), and Customer Relation Management System (CRM), which provide a powerful means of tracking guests' travel histories and preferences (Powers 1995). They also allow hotels within the group to assist each other by sharing facilities and services and mutual promotion. However, certain aspects of these two groups do differ significantly.

There has been significant growth in international hotel operations in the less developed countries of the world. These international chain hotels introduce professional management skills and expertise into these countries and help to open up international markets (Gilbert & Tsao 2000; Medlik & Ingram 2000). Thailand, for example, is renowned for being home to several international chain hotels that manage properties with an exemplary level of service. By effectively promoting the array of products and services that they have available, these hotels can help to attract customers from all over the world to visit Thailand. This may also encourage local hotels to adapt management styles from the international hotel groups in order to survive in business.

However, a broad international presence also entails a number of problems. International chain hotels have to frequently tackle problems with communication, control and cost as well as difficulties overcoming language and cultural barriers (Pine 1992; Jones 1999). Even though each hotel in a particular country operates within its own individual market and operating conditions (Medlik & Ingram 2000), a number of general challenges such as country political and economic risk or cultural distance exist (Taylor 2000). For example, dealing with international markets requires a degree of product adaptation and knowledge of foreign exchange markets in order to compete successfully (Jones 1999). National chain companies on the other hand, are able to operate their properties with more control over daily operations and more flexibility in a familiar cultural environment (Medlik & Ingram 2000).

Section 3.2.2 above explores the distinctive features of hotels in terms of their key characteristics, organisational structures and management styles, and provides a useful illustration of the main differences between international chain hotels, national chain hotels and individually owned hotels. However, since hotel management is practised by general managers and employees who inevitably have different attitudes, perceptions, and motivations, it is crucial to understand the role of these individuals in order to ensure success in hotel management. This will be discussed in the following sections.

3.3. The roles and characteristics of general managers

The general manager of a hotel is of paramount importance in the organisation and their performance in the role is critical to the success or failure of the business (Eder & Umbreit 1989). Various researchers, such as Langhorn (2004), claim that the role played by hotel managers is more complex than the role played by managers in non-service industries, since hotel managers are often required to manage more than 100 employees. Worsfold (1989) concurs and suggests that hotel managers exhibit greater assertiveness and imagination, and place greater emphasis on social skills than managers in other industries. A significant body of research therefore defines hotel management as a unique activity which requires a particular set of attributes and specific training (Keiser 1989; Sarathy 1994; Reisinger 2001).

According to Guerrier (1986), general managers usually make a commitment to the hotel industry at an early age and have usually spent time gaining ‘hands-on’ experience by working in low level jobs in the industry. This is corroborated by Wood’s research (1983, 1994), which further indicates that most senior managers obtain their appointment at an early age; formal qualifications do not appear to influence either entry position or promotion prospects. However, according to Lankin (2000), evidence exists which suggests that a higher level of education ensures entry into the industry at a more senior level.

According to research conducted by Worsfold (1989), a successful general manager needs to demonstrate strong leadership skills, interpersonal skills, and the ability to communicate with and motivate staff. Jayawardena (2000) compares a hotel manager to the captain of a ship, the conductor of an orchestra or the main performer of a stage show; he extends this image by claiming that a hotel manager needs to act on the directions of the hotel owner and operating company to conduct the ‘performance’ of the hotel. Morse and Wagner (1978) identify six

sets of behaviours which characterise an effective manager. These include the ability to control the organisation's environment and resources, to effectively organise and coordinate others, to efficiently communicate information, to foster employee growth and development, to handle conflicts, and to have a constructive approach to strategic problem solving. Komin (1999) adds that many of the factors which affect employee motivation in particular are closely related to the personality and leadership style of the hotel manager. According to Nebel and Ghei (1995), general managers are behavioural role models for staff and should therefore act accordingly.

The responsibilities of hotel general managers range from the daily operational issues of controlling costs, maximising short-run revenues, and encouraging employee productivity and delivering a high quality of service (Forte 1986; Lovelock et al. 2005) to long-term issues such as ensuring the strength of the organisation as a whole and its evolution into a successful business (Nebel & Ghei 1995). It is suggested that managers need to facilitate honest and open communication with staff by frequently visiting the areas where their employees work (Stevens and Hisle 1996), and by regularly working at the front of hotels so that they can communicate easily with staff and customers and ensure a high standard of service and a rapid response to problems as they arise (Venison 1983). However, research conducted by Stevens and Hisle (1996) suggests that while this level of interaction is desirable, it is not always feasible due to restrictions on time and the demands of other aspects of management.

The role of managers of international hotels is usually to provide an element of control and co-ordination in the local operating unit and to provide management opportunities to senior staff in the hotel (Green 2002). Attributes such as fluency in the local language, the ability to manage people, communication skills and sensitivity to cultural differences are deemed highly important (Battersby 1996), since one of the greatest challenges for such managers is dealing with people from different cultural backgrounds (Green 2002). According to Chareanpunsirikul and Wood (2002), Thai general managers usually spend more time negotiating with other individuals or organisations in contrast to non-Thai general managers whose role generally encompasses the transmission of information to people outside the hotel and the handling of unpredictable events.

3.4. Managing hotel employees

There is a general consensus that the quality of staff performance is the most influential factor on customer satisfaction (Mattila 1999; Qu et al. 2000; Bowen & Chen 2001; Bowen & Ford 2004). This also appears to have a significant impact on customer repurchase intentions (Bolton & Drew, 1991; Boulding et al., 1993; Rust et al., 1994; Lockyer 2003; Bowen & Ford 2004) and customer loyalty (Cronin & Taylor, 1992; Heskett et al. 1997, 2003). In the hotel industry, customer experience of services is highly dependent upon personal interaction between staff and customers (Mullins 1998). As facilities and amenities are duplicated from hotel to hotel, the positive attitude and behaviour of staff can contribute to a favourable impression of the hotel (Warren & Ostergren 1995; Cetron 2001; Baron & Harris 2003; Lovelock et al. 2005). The hotel industry should thus pay a great deal of attention to the issue of employment, particularly the issues of employees' expectations and satisfaction since people are an essential component of the hotel industry and turnover of hotel staff tends to be very high (Mullins 1998).

Managing employees, especially those within the hotel industry who come into regular contact with customers, is unlike managing employees in non-service industries such as manufacturing (Bowen & Ford 2004). This is due to the intangibility of the product which is provided by hotels. Hotel employees need to meet customers' demands for quality products and services with an equivalent level of skill and ability (Bowen & Ford 2004). Staff members need to be well educated and trained in order to be able to deliver excellent service (Dotchin & Oakland 1994; Heskett et al. 1997; Lovelock et al. 2005).

The financial implications of customer satisfaction and customer loyalty, and the key role that employees play in customer relationships, has led many hotels to emphasise the importance of effective employees. Heskett et al. (1997) propose the concept of a 'service profit chain'. This concept is based on the belief that employee satisfaction, loyalty, and commitment strongly influence customer satisfaction, loyalty, and commitment and ultimately the profit and growth of the organisation (Heskett et al. 2003). Many researchers and practitioners (e.g. Loveman 1998; Anderson & Mittal 2000; Kamakura et al. 2002; Kotler et al. 2003; Brown & Lam 2008) have applied this concept and accept that employee satisfaction and customer satisfaction are linked. The satisfaction of employees is thus crucial for the hotel industry (Berry 1981; Heskett et al. 1997; Loveman 1998). Heskett et al. (1997) point out that the

quality of the working environment contributes to employee satisfaction. This encompasses the feelings that employees have toward their job, colleagues, and the hotel in which they work (Heskett et al. 1997).

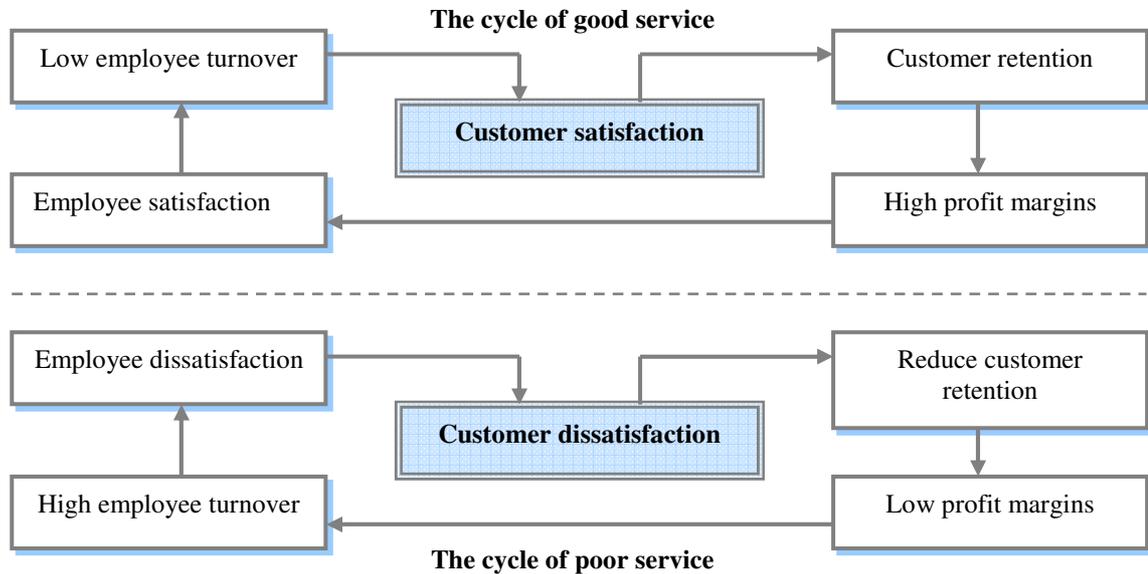


Figure 3.6: Customer satisfaction and employee satisfaction

Figure 3.6 draws upon the ‘service profit chain’ concept to show the way in which customer satisfaction, customer retention, employee satisfaction, employee turnover, and profit margins are closely linked. In the upper part of the figure, the cycle results in continuous improvements in all areas. In the lower part of the figure, however, customer dissatisfaction results in reduced customer retention, creating negative word-of-mouth and non-repurchase that culminates in low profit margins. This in turn has a negative effect on employee satisfaction and increases employee turnover, which has a negative impact on customer satisfaction. This figure underlines the fact that the key to satisfying customers is satisfying the needs and wants of hotel employees.

Another important concept which may help hotels to encourage their employees to deliver a consistently high quality of service is ‘internal marketing’. The concept of internal marketing defines employees as internal customers in contrast to the consumers who are external customers. Many scholars have studied and applied this concept which states that employees should be given equal importance as end consumers (Berry 1981; Barnes 1989; Grönroos 1990; Collins & Payne 1991; Piercy & Mogan 1991; Lewis 1995; Piercy 1995; Pitt & Foreman 1999). According to this concept, the internal customers (i.e. the employees), will

only to purchase the product (i.e. serve customers), when they are convinced that management is willing to deliver on its promise (Berry 1981). The importance of satisfying these internal customers is crucial to the success of the hotel (Lewis 1995). Liljander (2000) argues that internal service quality affects job satisfaction and, ultimately, customer satisfaction. In order to satisfy internal customers the hotel must clearly understand what their employees need and expect (Collins & Payne 1991). Employees cannot be expected to be customer focused if the management above them is not employee focused (Lewis 1995; Pitt & Foreman 1999). However, research by Rafiq and Ahmed (1993) demonstrates a number of potential pitfalls in this approach. For example, employees may not want to purchase the product or may have limited decision making power when it comes to deciding whether or not to purchase the product.

There is an alternative approach to managing the quality of staff performance. This is commonly labelled as 'empowerment', and refers to a means of improving employee performance (Bowen & Lawler 1992; Sternberg 1992; Mullins 1998; Lashley 1997, 1999, 2000; Hartline et al. 2000; Riley 2000; Ottenbacher 2007). Lashley (2000) states that empowerment is a management policy which aims to encourage employees to control their own performance to meet business goals. For instance, Marriott Corporation uses empowerment to produce greater efficiency, improve employee commitment, and ultimately increase customer satisfaction (Lashley 1997). Bowen and Lawler (1992) claim that empowerment enables hotels to simultaneously keep the organisation and employees in control and provide customers with excellent service. The concept of empowerment is based on the conviction that employees work most productively when they are given the freedom to make decisions (Lewis 1995). Since the nature of services cannot be standardised, the role of the manager changes from that of 'order-giver and controller' to 'facilitator, coach and team leader' (Mullins 1995, p.10). Employees who are involved in customer interaction are thus empowered to take action and do whatever is necessary to satisfy the customer. Sternberg (1992) argues that hotel employees at all levels can be selected, trained and empowered to make good decisions. The author also suggests that managers need to be able to trust their employees in order to allow them to make good decisions. If an empowered employee makes a mistake, the manager needs to react by providing coaching (Sternberg 1992).

The hotel industry is currently facing the challenge of high employee turnover. Numerous studies have highlighted the negative effects of high turnover (Lee-Ross 1993; Riegel 1995;

Deery & Iverson 1996; Manley 1996; Hinkin & Tracey 2000; Lashley 2000; Carbery et al 2003). These include a negative effect on the quality of products and services due to the initial inefficiency of new employees, and the costs of replacement and recruitment (Riegel 1995; Mudie & Cottam 1999; Lashley 2000; Carbery et al. 2003). Furthermore, some research (Riegel 1995; Deery & Iverson 1996; Manley 1996) suggests that repeat customers to hotels tend to be loyal to the previous employees and are likely to be disappointed if these employees have moved to another hotel (Manley 1996). High turnover is usually due to employee dissatisfaction with wage levels, management style, fellow colleagues, and an overall lack of job satisfaction. This may also be due to the limited supply of vocationally trained staff (Gee 1994). For example, Dusit Thani Hotel Group in Thailand has found it necessary to establish its own training centre to fulfil its labour needs. In addition, many new hotels in Thailand have only survived by attracting experienced staff from existing hotels (Gee 1994).

These issues can be resolved by adequately understanding employee expectations. Several studies suggest that satisfied employees are more likely to be committed to the organisation (e.g. Hogan 1995; Riegel 1995; Gibb 2001; Torrington et al. 2002). Unsurprisingly, Grusky (1966) found that higher levels of pay lead to higher levels of employee satisfaction. This is in line with a number of studies (Hogan 1995; Lucas 2004) which indicate that focusing on providing an adequate level of payment and fair treatment of employees is an effective strategy to ensure employee motivation and commitment to work. In addition, the work environment needs to be perceived to be friendly and co-operative (Hrebiniak & Alutto 1972; Lucas 2004). A number of studies (Corthouts 1991; Langhorn 2004) advocate fostering a positive, people-focused corporate culture with healthy internal relationships as a solution to high staff turnover.

3.5. Factors which influence customer expectations and satisfaction

Several studies have been carried out within the hotel industry to identify the attributes that contribute to customer expectations and satisfaction. The authors of these studies have determined that high customer satisfaction results in higher customer loyalty and willingness to recommend the hotel to other people, as mentioned previously. In order to satisfy the customer, it is therefore crucial for the hotel to determine the attributes that customers consider to be important (Crompton & MacKay 1989; Gundersen et al. 1996).

Table 3.1: Factors which influence customer expectations and customer satisfaction

Tangible aspects	Source	Intangible aspects	Source
Exterior and interior appearance	Bitner 1992; Mudie & Cottam 1999; Lovelock et al. 2005; Ottenbacher 2007	Customer recognition	Knutson 1988b
Comfort and amenities in rooms	Taninecz 1990; Gundersen et al. 1996	Speed at check-in	Atkinson 1988; Hubrecht & Teare 1993
Cleanliness	Knutson 1988a; Taninecz 1990; Greathouse et al. 1996; Qu & Li 1997	Good value for money	Atkinson 1988; Greathouse et al. 1996)
Facilities such as laundry service, swimming pools and saunas	Jones & Ioannou 1993; Kirk 1995; Callan 1996	Behaviour of employees	Knutson 1988b; Hubrecht & Teare 1993; Powers 1995; Greathouse et al. 1996; Zeithaml & Bitner 2000; Ottenbacher 2007
Price	Kandampully and Suhartanto 2000	Proficiency and enthusiasm of frontline staff	Gundersen et al. 1996; Hartline et al. 2000; Ottenbacher 2007
		Warm welcome	Knutson 1988b; Hubrecht & Teare 1993; Powers 1995
		Personal service - a smile, a friendly greeting, and general courtesy	Powers 1995; Greathouse et al. 1996; Winsted 1997

The table above displays the key factors which influence customer expectations and satisfaction, as identified by a number of different studies (see Table 3.1). They can be categorised into two main areas: tangible aspects and intangible aspects. However, it is worth noting that the opinions of customers concerning each of these areas may vary from customer to customer.

3.5.1. Tangible aspects

Several studies have been conducted into the factors that customers consider important in a hotel. The majority of findings indicate that first impressions are important (Knutson 1988a; Bitner 1992; Hubrecht & Teare 1993; Powers 1995; Dube & Renaghan 2000). Tangible features play an important role in ensuring customer satisfaction; services in the hotel sector are often intangible and this may encourage customers to look for tangible and physical indications of quality (Ottenbacher 2007). The exterior and interior appearance of a building frequently contributes to the first impression of a hotel (Bitner 1992; Mudie & Cottam 1999; Lovelock et al. 2005; Ottenbacher 2007). The facilities and amenities of the rooms are often

cited as two of the most important customer concerns (Taninecz 1990; Gundersen et al. 1996), and cleanliness is also an important factor in the selection of accommodation (Knutson 1988a; Taninecz 1990; Greathouse et al. 1996; Qu & Li 1997). Many customers expect a range of hotel services to be available, such as freshly laundered linen, an extensive supply of towels, abundant supplies of food and drink, and access to swimming pools and saunas (Jones & Ioannou 1993; Kirk 1995; Callan 1996). A study by Kandampully and Suhartanto (2000) also found that price plays an important role in determining whether a customer will repurchase and/or recommend the hotel to friends.

3.5.2. Intangible aspects

With respect to intangible aspects, customer recognition (Knutson 1988b), speed at check-in (Atkinson 1988; Hubrecht & Teare 1993), and good value for money (Atkinson 1988; Greathouse et al. 1996) are considered to be of most importance to customers. Moreover, many scholars have found that the demeanour and behaviour of employees have a significant influence on customer satisfaction (Knutson 1988b; Hubrecht & Teare 1993; Powers 1995; Greathouse et al. 1996; Zeithaml & Bitner 2000; Ottenbacher 2007). Indeed, according to Saleh and Ryan (1992), the social interaction between staff and customer is even more important than the range of facilities on offer. The proficiency and enthusiasm of frontline staff is a particularly crucial aspect because it has a direct effect on the customer's perceptions of service quality (Gundersen et al. 1996; Hartline et al. 2000; Ottenbacher 2007). A warm welcome creates a positive attitude and this will favourably affect the customer's experience of their entire stay at the hotel (Knutson 1988b; Hubrecht & Teare 1993; Powers 1995). The key elements of personal service - a smile, a friendly greeting, and generally courteous treatment are crucial in ensuring customer satisfaction (Powers 1995; Greathouse et al. 1996; Winsted 1997). In Feather's research (1982), caring and courtesy were rated as the most important factors in obtaining customer satisfaction. Winsted (1997) also emphasises the importance of courtesy, formality of service, friendliness, personalisation of service, and promptness among hotel staff. Hubrecht and Teare (1993) found that there exists a positive correlation between a customer's decision to revisit a hotel and the impression acquired on their arrival. Hotels must, therefore, devise ways in which they can effectively manage their service employees' attitudes and behaviours so that they can consistently deliver an excellent level of service (Hartline et al., 2000).

In summary, understanding the factors which influence customer expectations and satisfaction and delivering products and services to fulfil customers' needs is crucial in the provision of customer satisfaction and the attraction of customer loyalty.

3.6. Service marketing in the hotel industry

This study concentrates on the core concept of service marketing and the way in which it is linked to relationship marketing in the hotel industry. The following section first defines the concept of service marketing. It then explores various details in service marketing, such as the service process and service quality management.

3.6.1. Introduction to service marketing

During the 1980s, service marketing became the fastest growing field of marketing (Berry & Parasuraman 1993; Fisk et al. 1993). In early service research, much of the effort was devoted to demonstrating key differences between physical goods and services, and to proving that service industries such as the hotel industry need their own type of marketing (e.g. Booms & Bitner 1981; Berry 1983; Reichheld & Sasser 1990; Reichheld 1993; Grönroos 1994).

Researchers have defined 'service' in various ways. This study describes and analyses the range of definitions that have been used with reference to relationship marketing. 'Service' in marketing terms is used to describe those businesses that are generally seen to have a number of characteristics which distinguish them from physical goods industries (Palmer 1998) and sometimes has been used in connection with the phrase 'customer service' (Egan 2004, p. 132). Lovelock (1991) defines a service as a process or performance as opposed to a tangible product. Lovelock and his colleagues (1999) further add that 'service' refers to an act or performance offered by an organisation to a customer at specific times and places. Grönroos (2007) defines the service concept as a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in the interaction between the customer and service employees. The majority of researchers consider services to be activities, deeds or processes (e.g. Solomon et al. 1985; Zeithaml & Bitner 2003; Vargo & Lusch 2004), interactions (Normann 1991; Vargo & Lusch 2004) or social events (Normann 1991). The focus is on the service process or service encounter, which consists of the interaction between the customer and the firm, or the dyadic interaction between customer and service provider (Solomon et al. 1985). However, Vargo and Lusch (2004) define the

concept of service using a more inclusive approach which encapsulates the fundamental function of all business enterprises. They define services as ‘the application of specialised competences (knowledge and skills) through deeds, processes, and performances for the benefit of another entity or the entity itself’ (p. 2).

It can be deduced from the definitions above that the hotel industry provides intangible services that consist of the dyadic interaction between customer and service provider. The performances and activities of the hotels’ employees during the service encounter determine the customer’s experience. However, it is very difficult to apply any quantitative measures to service as they are primarily characterised by qualitative, rather than quantitative, terms which often relate to the customer’s emotional reaction. This is obviously a very individual experience and determined by the individual perceptions, attitudes and beliefs of each customer. Despite this, it is clear that the focus in providing a service is on the interaction that takes place between the customer (buyer) and the hotel (seller). Grönroos (1990) states that this buyer-seller interaction is a fundamental component of the task of marketing. This study therefore defines ‘service’ as an act or performance offered by a hotel to a customer.

Effective service marketing in the hotel industry entails the provision of a high level of service quality and customer service (Gummesson 2002). Efficient customer service should result in the establishment of long-term, mutually beneficial relationships with customers which is achieved by means of close interaction between the customer and hotel employees. This is referred to as a ‘service encounter’ or a ‘moment of truth’ and is a key component of relationship marketing (Christopher et al. 2002), since the nature of this encounter often determines the customer’s overall perceptions of the hotel. According to Gummesson (2002), the eventual aim of any customer service strategy should be to increase customer retention.

3.6.2. Service process

The service process in a high-contact industry such as the hotel industry consists of personal exchanges between customers and service employees (Lovelock et al. 2005). In other words, it is a procedure by which employees deliver core products and services to customers. Customers commonly have expectations about what they will receive from the delivery system before they enter into the service process. The result of the process is a customer outcome in which the customer will feel either satisfied or dissatisfied. For example, when

customers decide to stay in a hotel they go through a purchase process (see Figure 3.7). According to Lovelock et al. (2005, p.45), the purchase process for service has three stages – ‘the pre-purchase stage, the service encounter stage, and the post-purchase stage.’

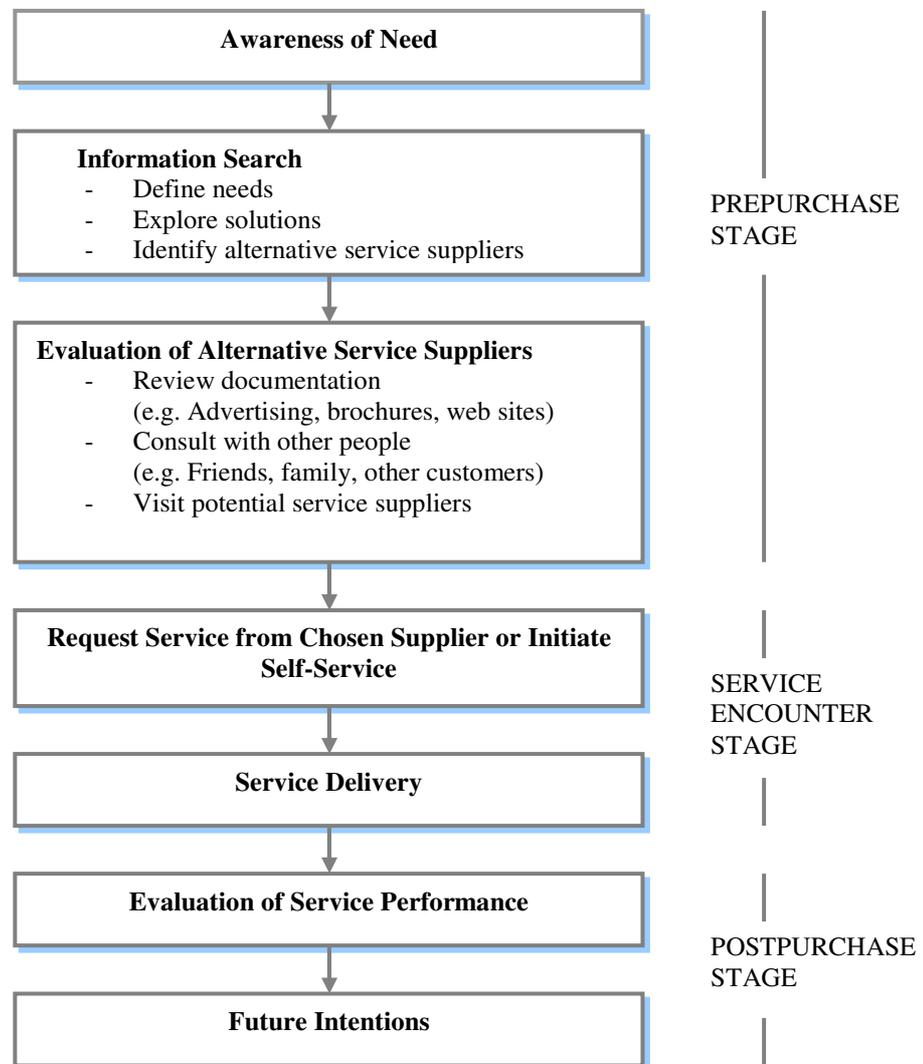


Figure 3.7: The purchase process for services

(Source: Lovelock et al. 2005, p.45)

As is shown in the diagram above, in the pre-purchase stage, customers make a decision to buy and use a service. The customers’ needs and expectations are very important at this stage because they influence the alternative options that customers will consider (Lovelock et al. 2005). For example, in the case of a first time purchase, customers may first conduct an intensive information search before coming to a decision. Factors such as word-of-mouth referrals or advertising may have a major influence on the customer’s final decision. In the service encounter stage, customers are faced with their chosen service provider. In a high-

contact service such as the hotel industry, customers become involved in a service process. During the post-purchase stage, customers evaluate the quality of the service and their satisfaction/dissatisfaction with the service experience. The outcome of this process will affect their future intentions (Lovelock et al. 2005).

Lovelock et al. (2005, p.108) suggest three key components that hoteliers must address during the service process: the core product, supplementary services, and delivery processes. For example, the core product of a hotel is the guest room, supplementary services are the variety of services and related activities which are on offer, such as a warm welcome from hotel staff, butler service, and/or spa, and the delivery process is the process whereby that hotel delivers these services to its customers. The integration of these three components is presented in Figure 3.8, which illustrates the service which is typically offered for an overnight stay.

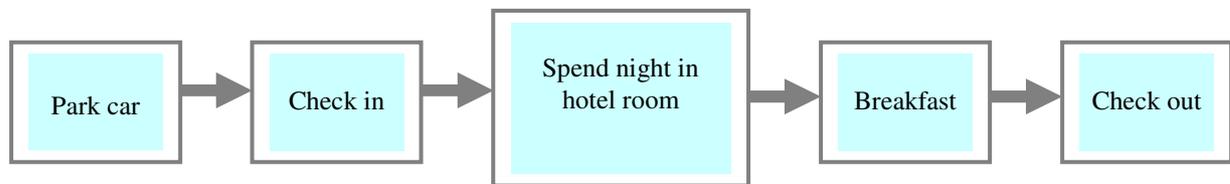


Figure 3.8: The service delivery process in hotels

(Source: Adapted from Lovelock et al. 2005).

As is shown above, the service delivery process in hotels usually consists of the customers parking their car in the parking lot, checking in at the reception area, spending the night in a hotel room, having breakfast in the morning, returning the key and checking out. During the check-in period, customers may experience a warm welcome from door staff, bell staff, or the staff at reception. Hotel guest rooms and the food served at breakfast are physical products that hotels offer to their customers. During breakfast and check-out, customers who receive friendly service from the staff will experience a higher quality of service and feel more satisfied. However, if customer expectations fail to be met and they are dissatisfied with their experience of the service delivery, this may cause damage to the hotel's reputation and ultimately affect the profitability of the hotel.

Although the hotel business includes tangible elements like beds or food, a large proportion of the output of a hotel business is also intangible. Competition in the hotel industry is based on offering value to the customers in the service delivery process (Francesse & Renaghan 1990;

Southern 1999; Kotler et al. 2003). The next section goes on to explore the importance of service quality management.

3.6.3. Service quality management

Quality of service is considered to be one of the keys to success in the hotel industry (Lockwood 1999). It is closely linked to customer satisfaction and customer loyalty (Heskett et al. 1994), which is considered essential in building a successful relationship with the customer (Henning-Thurau & Hansen, 2000). Several studies have shown that high quality of service builds customer loyalty and creates positive word-of-mouth (Bolton & Drew, 1991; Boulding et al., 1993; Rust et al., 1995; Kotler et al. 2003). In other words, a high quality of service leads to customer satisfaction which in turn leads to the formation of stronger relationships and greater profitability for the hotel.

Much of the development of service marketing has focused on service quality in the sense of customer perceived quality, customer satisfaction and value for the customer. Berry and Parasuraman (1991) concur with this by claiming that customers are the judges of service quality. Service quality is therefore a customer's subjective interpretation of his/her experience. This study explores various approaches and frameworks related to service quality that have been cited by many researchers.

Due to the criticism of the 4Ps marketing mix (see Section 4.3.2), Booms and Bitner (1981) extended the 4Ps framework into the 7Ps elements of service marketing by including processes, physical evidence and participants within service industries. This model has gained widespread acceptance in services marketing literature (Lovelock et al. 2005). Within this framework, the 'process' refers to the procedures, mechanisms and flow of activities by which the service is acquired, 'physical evidence' refers to any tangible goods that facilitate the service performance, and 'participants' refers to the individuals who are involved in service delivery; the focus of the model is on the quality of employees. Lovelock et al. (2005) adapt Booms and Bitner's 7Ps framework by including 'people' in place of 'participants'. In their framework, service quality is assessed based on customer interactions with front-line staff. Hence, the emphasis should be on training and motivating these employees. Payne and Ballantyne (1991) suggest further the addition of people, processes, and customer services for

relationship marketing. Their emphasis is on maintaining a long-term relationship with customers.

A recent issue which has arisen is the difficulty of measuring quality of service. Researchers are now devoting their efforts to devising ways in which to measure the quality of service shown to customers (e.g. Parasuraman et al. 1988, 1991, 1994; Zeithaml et al. 1990, 1993; Cronin & Taylor 1992; Getty & Thompson 1994). Parasuraman et al. (1988, 1991, and 1994) have used an instrument called SERVQUAL to conduct research into the relationship between quality service and customer expectations. The development of the SERVQUAL model was the result of a substantial amount of research across multiple service industries. The research found that reliability is a key factor in service quality management, and that service performance is directly correlated with service quality. According to the model, service quality is the 'gap' between the customer's expectations and the actual performance of the service; it should therefore be measured by subtracting the performance score from the customer's expectation score. The SERVQUAL model has produced a generic measure of service quality through the examination of twenty two service items which fall into five dimensions. The SERVQUAL model has received a great deal of interest since it offers a practical way of measuring service quality, and it is claimed that these five empirical dimensions are valid and applicable to any service organisation (Zeithaml et al. 1990; Parasuraman et al. 1994; Lovelock et al. 1999). These five dimensions are:

1. Tangibles: physical facilities, equipment, appearance of personnel, etc.
2. Reliability: the ability to perform the promised service dependably and accurately
3. Responsiveness: willingness to help customers and provide prompt service
4. Assurance: the knowledge and courtesy of the employees and their ability to convey trust and confidence
5. Empathy: the level of individualised attention which is shown to the customer.

Many researchers and practitioners have adapted the SERVQUAL model to use in the hospitality industries (e.g. Saleh & Ryan 1991; Wuest et al. 1996; Baker & Fesenmaier 1997). They have found that the SERVQUAL model can generate useful managerial insight and understanding. It also clearly identifies any gap which exists in relation to the responsiveness of the service which is provided. However, although the SERVQUAL model has been widely used, doubts have been expressed with regard to its conceptual foundation, methodological

limitations, and effectiveness (Fick & Ritchie 1991; Johns 1993). In response, a number of researchers have developed modified versions of SERVQUAL such as LODGSERV and DINESERV (Knutson et al. 1991; Stevens et al. 1995). However, the five dimensions of the SERVQUAL model still appear to be the most commonly used and the most consistent measure of service quality (Lovelock et al. 1999; Soutar 2001; Wuest 2001). In this study, a survey was designed using an adaptation of the SERVQUAL model to measure customers' expectations and satisfaction in their relationship with the hotel (Section 6.8.2).

Other researchers have also proposed alternative structures for assessing service quality. Lehtinen and Lehtinen (1991) present two models showing that service quality can be divided into 'physical quality', 'interactive quality' and 'corporate quality', or separately as 'process quality' and 'output quality'. They also found that different criteria are used by different customer groups to evaluate service and that these criteria will vary depending on the specific situation and circumstances.

Grönroos (2000) has developed a service quality model where interactive real-time service encounters between buyers and sellers generate 'functional' quality for customers - that is, the quality of their interactive experience with the supplier. What remains after an interaction sequence is what Grönroos terms 'technical' quality. The technical dimension represents what actually happened during service delivery, and the functional aspect encompasses how the service was delivered. He indicates that failure in either dimension is likely to lead to lowered perceptions of service quality by a customer. This model highlights the importance of service quality in relationship marketing. The key aim of relationship marketing is to sustain relationships with valuable customers, not only by delivering on promises made during the sale, but by focusing on the quality of the customer's interactive experience with the supplier before and after the sale. This concept can be applied to the hotel industry to maintain relationships with loyal customers.

In measuring service quality, Christopher et al. (2002) recommend that companies need to adopt step-by-step customer feedback and monitoring systems so that they can improve their value delivery process. Furthermore, the quality of the monitoring service should be supported by regular staff attitude surveys and routine reviews of internal service quality performance standards (Christopher et al. 2002). Delays in delivering services have been found to significantly affect service quality evaluations (Taylor 1994).

It can be concluded that the core service marketing concepts in the hotel industry involve working with markets to bring about exchanges of products and services in order to satisfy human needs and wants, while at the same time meeting the goals of the hotel. Service marketing must be integrated with other functions like hotel operations and human resource management in the hotel (Lovelock et al. 2005). Hotel operational systems must run smoothly and efficiently, and employees must work effectively in order to deliver excellent service and ensure customer satisfaction and customer loyalty.

3.7. Conclusion

The first half of this chapter focused on the theory of hotel management with emphasis on the organisational structure of the hotel. The inverted organisational pyramid of the hotel with its focus on customers and employees was explored. An extensive review of the literature indicates that much of management's role in serving customers lies in the development of employee-oriented workplaces. The ability of managers to train, motivate, and encourage employees therefore greatly influences the hotel's ability to provide quality service.

The latter part of the chapter focused on service marketing; the distinctive characteristics of the hotel industry require marketing that can best serve the needs of the customers and the organisations. Within the context of service marketing, the customer is an integral part of the marketing and delivery process; this necessitates a close relationship between the service provider and the customer, thus establishing the concept of relationship marketing (Aijo 1996; Henning-Thurau & Hansen 2000). Therefore, understanding relationship marketing is crucial in order to successfully manage a hotel in a highly competitive market (Grönroos 2007). Chapter 4 continues to stress the importance of strong customer focus which requires a thorough understanding of customer needs and wants, and of the need to develop relationship marketing strategies that will enhance satisfaction among targeted customers, build their loyalty, and sustain their long-term relationship with hotels.

CHAPTER 4: RELATIONSHIP MARKETING

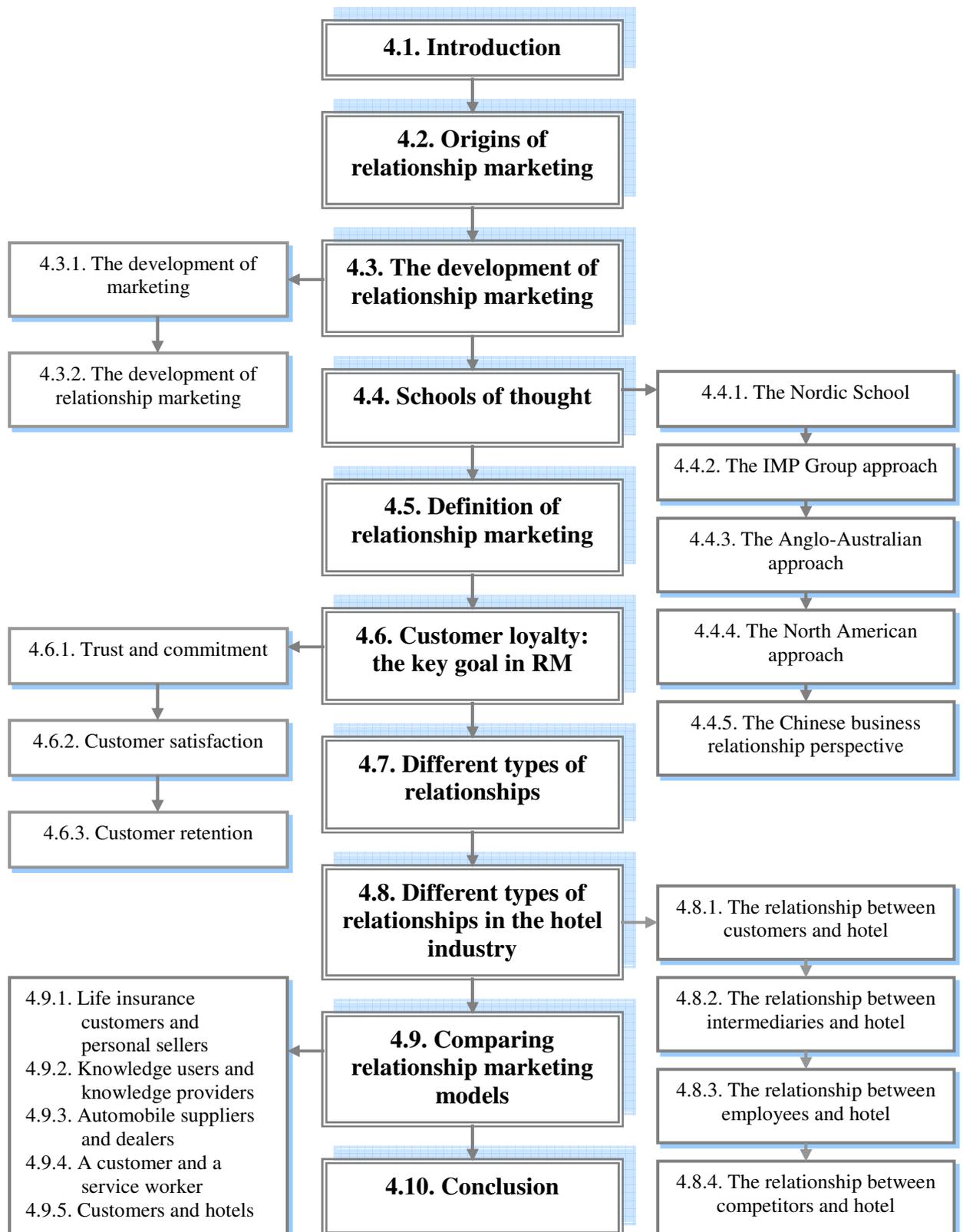


Figure 4.1: Structure of Chapter 4

4.1. Introduction

As illustrated in the previous chapter, the effective management of customer relationships may increase the overall profitability of a hotel (Buttle 1996; Christopher et al. 2002; Hollensen 2003; Grönroos 2007; Gummesson 2008). However, in today's intensely competitive marketplace, unwavering loyalty from customers is rare (Buttle 1996), and the development and retention of long-term relationships is therefore more crucial than ever.

Relationship marketing (RM) is perceived to be a key element in any corporate strategy which aims to enhance customer satisfaction, develop customer loyalty, and sustain long-term customer relationships (Henning-Thurau & Hansen 2000). This chapter explores the concept of relationship marketing and outlines its role in the development and maintenance of long-term relationships with customers. The various schools of thought are outlined, and elements such as trust, commitment and loyalty between customers and hotels are explored. The chapter proceeds to analyse the importance of relationship marketing in the context of various relationships, such as the relationships between a hotel and its customers, intermediaries, employees and competitors. The chapter concludes by discussing a range of relationship marketing models which have been recently formulated by researchers.

4.2. Origins of relationship marketing

Relationship marketing (RM) has been a topic of serious discussion among academics and practitioners over the past few years (Henning-Thurau & Hansen 2000; Christopher et al. 2002; Egan 2004). Controversy still exists over the origins of RM. It has been argued that Len Berry (1983) was the first to introduce the term 'relationship marketing' as a modern concept in marketing (see Grönroos 1990; Morgan & Hunt 1994; Sheth & Parvatiyar 1995; Aijo 1996; Henning-Thurau & Hansen 2000; Christopher et al. 2002; Buttle 2006). Subsequently, Barbara Bund Jackson was the first to use the term 'relationship marketing' in contrast to transaction marketing in a business-to-business context (Christopher et al. 2002; Sheth 2002; Grönroos 2004). During the 1990s, the term 'relationship marketing' evolved into a general marketing term (Grönroos 1990; Hunt & Morgan 1994; Christopher et al. 2002). This was triggered by rapid and radical changes in the environment which meant that strategic competitive advantage could no longer be delivered on the basis of product characteristics alone; satisfying existing customers became the key to ensuring corporate profitability

(Barnes 1994; Aijo 1996). According to Grönroos (1994), a clear shift towards relationship marketing occurred in the areas of industrial marketing, service marketing, and managing distribution channels. There was simultaneously a parallel shift from brand values to customer values, where the delivery of superior customer value became a key objective (Christopher 1996). Relationship marketing is also commonly referred to as 'customer-focused management' (Gummesson 1994) and 'relationship management' (Payne et al. 1994).

4.3. The development of relationship marketing

The development of relationship marketing is analysed in two parts; the first part outlines the development of marketing, together with the history and development of transactional marketing (TM) and the eventual emergence of relationship marketing (RM). The second part focuses on the development of relationship marketing and encompasses criticisms of the weaknesses of TM and the importance of the RM concept.

4.3.1. The development of marketing

As mentioned previously, the underlying theories and conceptualisations of relationship marketing were the result of a shift from the theory and practice of transactional marketing. Therefore, in order to obtain an understanding of relationship marketing, a brief overview of the history and development of transactional marketing is required.

The concept of TM originated during the industrial era circa 1910 as mass production grew rapidly and the range and complexity of goods and services offered increased (Webster 1992; Sheth & Parvatiyar 2000; Gummesson 2008). The managerial approach to the study of marketing developed in the 1950s and 1960s as the contribution of marketing to corporate profitability came to be regarded as increasingly important (Webster 1992; Hollensen 2003; Gummesson 2008). A number of textbooks adopting a marketing management perspective appeared during this period (e.g. Howard 1957; McCarthy 1960; Kotler 1967). It was also the era of 'consumer marketing' (Christopher et al. 1991, p. 8-9) when corporate manufacturers and brand marketing concepts dominated the marketing agenda (Sheth & Parvatiyar 2000; Gummesson 2008; Table 4.1).

During the 1960s, Borden (1964) produced his 12 variables (product, price, branding, distribution, personal selling, advertising, promotions, packaging, display, servicing, physical handling, fact finding and analysis) of a marketing programme which later came to be known as the '4Ps of marketing' or the 'marketing mix' (McCathy 1960; Grönroos 1994; Rafiq & Ahmer 1995). This framework viewed marketing as a strategic and managerial matching process (Webster 1992), and this paradigm has continued to dominate both research and practice. During this period, marketing was characterised as 'industrial marketing' (Christopher et al. 1991, p.8-9; Table 4.1).

During the 1970s, most brands experienced faltering growth and markets were dominated by oligopolies (Webster 1992; Grönroos 2004). Consumers in particular became more demanding and sophisticated and were less easily persuaded by simplistic marketing strategies (Webster 1992). The 1980s saw a significant rise in importance of the service sector (Christopher et al. 1991; Table 4.1). During this period, The American Marketing Association defined marketing (AMA Board 1985, p.2) as:

'The process of planning and executing conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational objectives.'

This definition describes the traditional concept of marketing, and is founded on the marketing mix: suppliers are perceived as independent units in the market. Despite the growing complexity and competitiveness of the marketplace at the end of the 1980s, marketers continued to persevere with the concept of the 4Ps. In practice, however, a number of academics began to question the utility of this approach (e.g. Grönroos 1983; Gummesson 1987). They argued that it was no longer broad enough and failed to incorporate the importance of customer retention, changes in the competitive environment and the limitations of transaction marketing.

During the 1990s the situation became more complex and confused. Companies were beginning to question the high level of marketing expenditure which often failed to deliver a worthwhile return on investment (Gordon 1998). New approaches were pursued in order to resolve these problems and discover new ways to survive in such highly competitive markets. The last decade of the 20th century saw the marginalisation of the marketing function in many

organisations (Sheth & Sisodia 1999). Egan (2004, p.9) called this period the ‘century of marketing’. However, a number of marketers (e.g. Webster 1992; Grönroos 1994) recognised that a gap existed between what was written in marketing textbooks and practical implementation. The 4Ps marketing framework was unlikely to win or retain customers either in consumer or industrial markets (Gummesson 1987; Gronroos 1994). The 4Ps concept concerned only mass marketing and standardised consumer goods as opposed to establishing relationships with individual customers. Marketing management in practice is ‘supplier oriented’ (Gummesson 2002, p.285), rather than ‘customer oriented’. The concept of relationship marketing emerged from this perceived discrepancy between theory and practice.

Table 4.1 below shows the developments in marketing throughout the last fifty years and demonstrates the shift from consumer to relationship marketing.

Table 4.1: Developments in marketing

1950s	1960s	1970s	1980s	1990s	2000s
Consumer marketing	Industrial marketing	Non-profit and social marketing	Service marketing	Relationship marketing	Relationship marketing – CRM

(Source: Adapted from Christopher et al. 1991 and Egan 2004)

RM focuses on building long-term relationships with customers (Grönroos 1994; Christopher et al. 2002; Gummesson 2008) and forms the core of this thesis. This concept is explained in further detail in the following section.

4.3.2. The development of relationship marketing

Transactional marketing remained dominant until it was challenged by a theory called ‘relationship marketing’. The concept of relationship marketing stemmed from research in service marketing (Aijo 1996; Grönroos 2007) which emphasised the importance of close customer contact (Section 3.6). The majority of literature in this area focuses on the service encounter, and the interaction between the customer and the service provider. Literature on relationship marketing, however, focuses on the importance of establishing a long-term relationship between the customer and service provider (Berry 1995).

As demonstrated in the previous section, there is widespread concern about the validity of the traditional marketing approach as relationships are becoming increasingly important in today's complex markets. The 4Ps framework has been criticised by many researchers (e.g. Kent 1986; Grönroos 1994; Rafiq & Ahmer 1995; Gummesson 2002; Hollensen 2003). Grönroos (1994) and Gummesson (2008), for example, claim that the 4Ps framework is too restrictive for business-to-business and services marketing as the importance of intangible service characteristics and customer service considerations has become a key differentiating factor between products. Cowell (1984) argues that the 4Ps fails to incorporate the characteristics of services, while Rafiq and Ahmer (1995) state that personal contact is rarely discussed within this framework. A number of researchers (e.g. Reichheld & Sasser 1990; Reichheld 1993; Grönroos 1994) concur that traditional marketing is becoming excessively expensive and is far less effective than RM.

RM, on the other hand, has become the leading topic of discussion at academic conferences throughout Europe, North America, Australia, and elsewhere since the 1990s. Various studies have provided evidence of the benefits of establishing long-term relationships and an effective customer retention strategy within competitive consumer-service markets (e.g. Dwyer et al. 1987; Gadde & Mattsson 1987; Grönroos 1990; Parasuraman et al. 1991; Berry 1995). Moreover, RM represents a more 'common sense' approach to marketing; it makes important phenomena visible in a confused world in which marketers and consumers search for meaning (Gummesson 2008). Berry and Parasuraman (1991, p.133) argue that RM quite simply 'concerns attracting, developing, and retaining customer relationships'. It triggered a change in attitude from the traditional zero-sum 'winner/loser' philosophy to a belief in the possibility of a 'win-win' situation (Gummerson 1997, p.56). Many researchers (e.g. Reichheld & Sasser 1990; Reichheld 1993) have demonstrated that long-term customer relationships can be 'achieved through mutual exchange and fulfilment of promises' (Grönroos 1994 p.9).

Table 4.2: Comparison between TM and RM

Transactional Marketing (TM)	Relationship Marketing (RM)
<ul style="list-style-type: none">• Focus on customer volume• Discontinuous customer contact• Focus on product features• Short timescale• Little emphasis on customer service• Limited commitment to meeting customer expectations• Primary concern with product quality	<ul style="list-style-type: none">• Focus on customer retention• Continuous customer contact• Focus on customer value• Longer timescale• High emphasis on customer service• High commitment to meeting customer expectations• Concern with relationship quality

(Source: Adapted from Christopher et al. 2002; Egan 2004)

In the traditional transactional approach, marketing management is about planning, coordinating, and controlling marketing activities that are aimed at satisfying customer needs and wants. The emphasis is on acquiring as many customers as possible by focusing on product quality and customer volume with less emphasis on meeting customer expectations and ensuring customer satisfaction (Table 4.2).

In contrast, the primary focus of RM is on the individual and the quality of customer relationships (Gummesson 2008). The focus has shifted from customer volume in the transactional marketing approach to customer retention. RM emphasises the importance of meeting customer expectations by focusing on customer value and long-term relationships (Table 4.2).

Within the hotel industry, the marketing mix plays a key role in making decisions on hotel characteristics and hotel design, pricing, distribution channels and promotional strategies (Kotler et al. 2003). Although the 4Ps marketing mix is still considered important in the management of a hotel business, it is no longer regarded as sufficient for hotel success (Grönroos 1994; Javalgi & Moberg 1997; Lovelock et al. 2005; Gummesson 2008). Gummesson (2008) states that the 4Ps only focus on short-term relationships with less emphasis on the importance of customer service and customer satisfaction, which in practice should be the main focus of the hotel business.

Marketing within the hotel industry is further complicated by the intangible nature of the services which are provided, which are typified by a high degree of human interaction. As a result, the standardisation of services is practically impossible (Harvey 1998; Henning-Thurau

& Hansen 2000) and customers may not always be satisfied with the quality of service that they receive. Customer dissatisfaction may trigger negative word-of-mouth and non-repurchase and may be detrimental to the profitability of the hotel. The formulation of a marketing strategy which enables a flexible response to customers' needs and the establishment of long-term, stable relationships is therefore crucial (Booms & Bitner 1981; Javalgi & Moberg 1997).

In summary, many academics and practitioners have concluded that TM needs to be evaluated, and a shift towards a relationship-based approach is due. RM has evolved into a general marketing approach (Kotler 1992; Grönroos 1994; Gummesson 2008) and some researchers believe that it represents a paradigm shift in marketing (McKenna 1991; Sheth & Parvatiyar 1995; Morgan & Hunt 1994; Aijo 1996; Grönroos 1996; Donaldson & O'Toole 2002; Hollensen 2003; Gummesson 2008). However, others view RM as an alternative to, rather than a substitute for, TM (Möller & Halinen 2000; Varey 2002; Egan 2004). Palmer (1996), for example, believes that the popularity of RM arose as the result of a rediscovery in Western markets of a concept that forms a fundamental part of exchange in Eastern cultures. Palmer et al. (2005, p.316) state that RM has not yet been fully recognised as a paradigm, but 'it is at least a well-ordered and distinct concept'.

4.4. Schools of thought

By the early 1990s, further groups of researchers were beginning to start separate but related work in RM (Christopher et al. 1991). Palmer et al. (2005 p.317) highlighted the 'three schools of thought': the Nordic School, the Industrial Marketing and Purchasing Group (IMP Group) and the Anglo-Australian approach. This categorisation has been supported by many academics (e.g. Ballantyne 1994; Payne 1995; Grönroos 1997; Brodie et al. 1997; Christopher et al. 2002). However, Coote (1994) proposed one additional approach: the North American approach. This study also adds 'the Chinese business relationship perspective' as an alternative approach because to date, most of the literature on relationship marketing has only considered the perspective of large corporations operating in the '*Western business environment*' (Palmer 2000, p.271). These five approaches are discussed below. It is worth noting that a school of thought has no formal membership, but consists of researchers and practitioners who are drawn together by recognition of and commitment to a discipline through research, publications, and practice (Gummesson et al. 1997).

4.4.1. The Nordic School

The Nordic School, in the view of Palmer et al. (2005), originally started their research in the area of services marketing. According to Egan (2004 p.6-7), the key components of the Nordic School include: an emphasis on the importance and relevance of services marketing and industrial marketing as opposed to customers goods marketing, a gradual shift away from an emphasis on goods and services towards an emphasis on customer value, the integration of the function of the marketing department with other organisational functions and general management, and less emphasis on quantitative research. Furthermore, according to Grönroos and Strandvik (1997), the Nordic School believed that managing services was at the core of relationship building and maintenance. In order to build long-term relationships, the Nordic School also developed the concept of service as a means of improving the quality of a relationship, stimulating customer loyalty, and extending the customer life-cycle (Grönroos 1990). This was supported by other factors such as the building of networks, the establishment of strategic alliances, the development of an extensive customer database and the effective management of relationship-oriented marketing communications (Grönroos 2004, see Figure 4.2 below). Grönroos (1994), a principal researcher of The Nordic School, has presented a comprehensive review of the development of RM. Crucial elements in this development include interactivity, a network approach, long-term perspective, internal marketing, trust and the exchange of promises (Aijo 1996).

4.4.2. The IMP (Industrial Marketing and Purchasing) Group approach

The second school of thought is the IMP Group (Figure 4.2) whose theories were grounded in the context of business-to-business markets (Palmer et al. 2005). This approach is primarily concerned with interactions and relationships among networks in industrial markets (Christopher et al. 2002; Palmer et al. 2005). These interactions are 'dyadic in nature, but multiple relationships between buyers, suppliers, and other firms aggregate into networks. This is the primary distinction between relationships and networks' (Palmer et al. 2005, p.320). According to this school of thought, there are four core concepts of relationship marketing (Håkansson 1982; Naude & Holland 1996; Palmer et al. 2005). Firstly, relationships exist between buyers and sellers which are built from several interaction processes: technical issues, in which technicians play an important role in the contact between companies; social issues, which emphasise the importance of trust, commitment, and

influence/power in a relationship; and economic issues, which focus on cost and revenue volume. The second core concept is that business relationships are connected through a wider economic organisation ('network form') while the third concept is that a relationship consists of a combination of individual adaptations and scale-effective production. Finally, the fourth concept is that relationships are comprised of confrontations through which various dimensions of resources are identified and utilised by the two parties. The work of the IMP Group has resulted in a considerable contribution to the existing literature on industrial markets (e.g. Gummesson 1987; Ford 1990; Aijo 1996; Turnbull et al. 1996; Naude & Holland 1996).

4.4.3. The Anglo-Australian approach

A third school of thought is the Anglo-Australian approach which is based on the work of Christopher, Payne, and Ballantyne (1991). This approach underlines quality management, service marketing and customer relationships. 'As with the other traditions, this is regarded as a holistic or integrative approach to business, operating in a cross-functional way to provide customer satisfaction and increasing levels of value' (Palmer et al. 2005, p.320). From this perspective, relationship marketing embodies the following elements (Christopher et al. 2002): an emphasis on a relationship rather than a transactional approach to marketing, an understanding of the economic implications of customer retention, an emphasis on the critical role of internal marketing in achieving external marketing success, an extension of the principles of relationship marketing to a range of diverse market domains (customer markets, internal markets, supplier/alliance markets, recruitment markets, influence markets and referral markets), an illustration of how the traditional marketing mix concept does not adequately capture all the key elements which must be addressed in building and sustaining relationships with markets, and a conceptualisation of marketing as a cross-functional process (Figure 4.2).

4.4.4. The North American approach

The North American approach is based on the work of Berry (1983) and Levitt (1983), which stresses buyer and seller relationships or company and end-user relationships within the organisation environment. This approach focuses on long-term business relationships with existing customers; customer service is central to this philosophy. Although various

definitions exist of what such customer service encompasses, the researchers in the North American school state that it is concerned with relationships at the buyer-seller interface (Egan 2003). According to researchers from this school, the organisation should be structured and managed so that customers can be served with superior service. This approach is related to the works of Payne (1995) and Grönroos (1997). The North American School also made a significant contribution to the measurement of service quality with the development of a well-known model known as SERVQUAL (Section 3.6.3).

4.4.5. The Chinese business relationship perspective

The Chinese business relationship perspective or '*guanxi* relationship' is a key business practice in Chinese society and in most Asian countries (Ballantyne 1994; Ambler 1995; Luo 1997; Gilbert & Tsao 2000; Geddie et al. 2005). The Chinese practice of '*guanxi*' has developed over thousands of years (Ambler 1995; Davies 1995) and refers to social interaction within a networked group. It is characterised by mutual trust and a willingness to engage in a process that produces mutual benefits (Ambler 1995). It includes the notion of continuing reciprocal obligations over an indefinite period of time, the fulfilment of the terms of business agreements, the fulfilment of personal favours and the upholding of reputation and social status (Ambler 1995). The Chinese believe that once they have established a *guanxi* relationship, they should completely trust their business partners and remain committed to each other in order to reap mutual benefit (Davies 1995). A number of studies (e.g. Wong & Chan 1999; Ambler 1995; Gilbert & Tsao 2000) have suggested that the concept of *guanxi* can offer useful insights to relationship marketing practitioners because it enables network participants to interact harmoniously over long periods of time for mutual benefit (Figure 4.2).

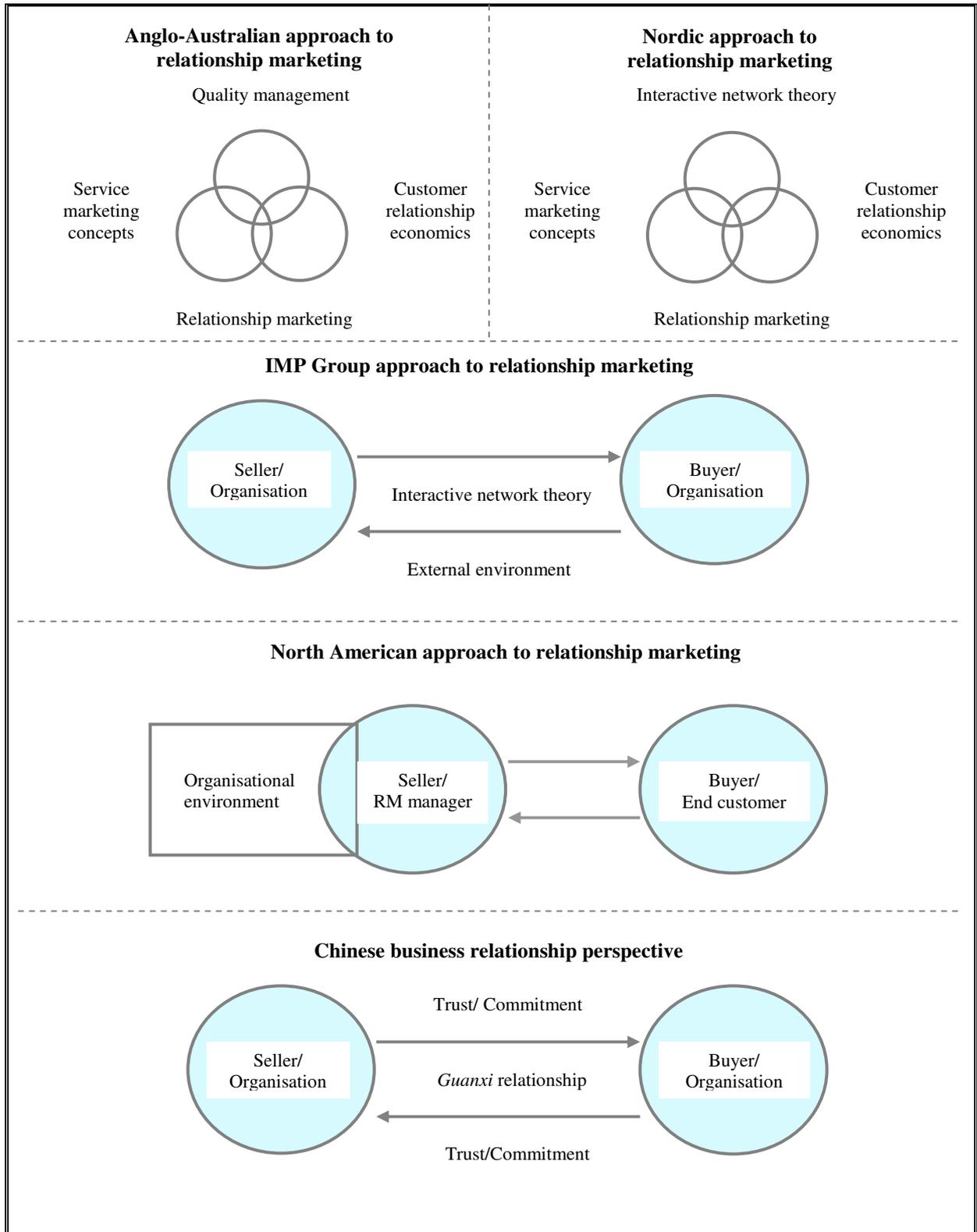


Figure 4.2: The domain of relationship marketing: alternative schools
 (Source: Adapted from Coote 1994 in Christopher et al. 2002, p. xii)

As illustrated in Figure 4.2 above, the various schools of relationship marketing developed in different contexts and are characterised by different areas of focus. The Nordic school and the Anglo-Australian school perceive a relationship as a cross-functional process, and argue that the development and maintenance of relationships are achieved by a focus on service marketing. The Anglo Australian school of thought, in particular, posits that the provision of customer value results in beneficial customer relationships (Christopher 1996) while the Nordic school is characterised by a focus on interactive network theory. This emphasis also defines the IMP group which analyses relationship marketing in the context of business-to-business markets. The North American approach, however, places greater emphasis on buyer-seller relationships, and tends to ignore the role of other elements and stakeholders, while one of the key tenets of the Chinese approach is the establishment of a high level of trust and commitment in business relationships over a long period of time.

Drawing upon the various RM theories and approaches mentioned in this section, this study endeavours to combine the advantages of each approach with a focus on the integration of quality management, service marketing concepts, interactive network theory, and trust and commitment as the core of relational constructs, in order to conceptualise relationship marketing within the hotel industry in Thailand. This study also believes that a marketing mix which encompasses product development, price discounts, and a promotional package could still be useful in managing the hotel business. However, in order to develop a good relationship with new customers and maintain long-term relationships with existing ones, relationship marketing is a vital component.

Relationship marketing consists of a strategy and process that integrates customers, suppliers, and other partners into the company's development and sales processes (Egan 2004). The following section will explore the definition of relationship marketing, and its theoretical and practical relevance.

4.5. Definition of relationship marketing

Many scholars have attempted to define RM. However, there is no general consensus on what exactly is meant by the term 'relationship marketing' (Grönroos 1995; Egan 2004; Harwood et al. 2008). A common definition which has been advocated by many researchers is that RM represents a customer-centred approach whereby a firm seeks long-term business

relationships with potential and existing customers and stakeholders which results in greater commitment, repurchase and loyalty (Sheth & Parvatiyar 1995; Hunt 1997). Barnes and Howlett (1998, p.16) suggest that two factors must be present for an exchange situation to be described as a relationship, and that a 'true relationship' cannot exist if these factors are absent. These two factors are the following:

- The relationship must be mutually perceived to exist and must be acknowledged by both parties.
- The relationship must go beyond occasional contact and have some sort of special status.

Table 4.3 below outlines the key ideas and concepts which have been developed as a result of research into relationship marketing, and which underlie current relationship marketing theory and practice (Harger 1999; Egan 2003). According to Berry's definition (1983, p.25), the aim of relationship marketing should be the retention of customers and the development of stable, long-term relationships. Jackson's definition is centred in the business-to-business context, and raises the issue of whether a relationship marketing or transaction marketing approach is the best strategy for industrial customers. The definitions provided by Buttle (1996, p.vii), Evans and Laskin (1994, p.440) stress the importance of long-term relationships between suppliers and customers. Later contributions to relationship marketing expanded the scope of research and emphasise the importance of cooperation between parties in order to achieve mutual benefit (Morgan & Hunt 1994; Grönroos 2008). Gummesson (2008), for example, defines relationship marketing as a whole series of relationships, networks and interactions, rather than merely a dyadic relationship between the buyer and the seller. Morgan and Hunt (1994, p.22) and Ballantyne (1994, p.3) offer similarly broad definitions.

Table 4.3: Selected definitions which emphasise different aspects of RM

Source	Definition
Ballantyne (1994, p.3)	'An emergent disciplinary framework for creating, developing and sustaining exchanges of value between the parties involved, whereby exchange relationships evolve to provide continuous and stable links in the supply chain.'
Berry (1983, p.25)	'Relationship marketing is attracting, maintaining and - in multi-service organisations - enhancing customer relationships.'
Buttle (1996, p.vii)	'Relationship marketing, the development of mutually beneficial long-term relationships between suppliers and customers.'
Evans and Laskin (1994, p.440)	'Relationship marketing is the process whereby a firm builds long-term alliances with both prospective and current customers so that both seller and buyer work toward a common set of specified goals.'
Grönroos (2007, p.29)	'(The purpose of)...marketing is to identify and establish, maintain and enhance, and when necessary terminate relationships with customers (and other parties) so that the objectives regarding economic and other variables of all parties are met. This is achieved through a mutual exchange and fulfilment of promises.'
Gummesson (2008, p.5)	'Relationship marketing is interaction in networks of relationships.'
Jackson (1985, p.165)	'Relationship marketing is marketing to win, build and maintain strong lasting relationships with industrial customers.'
Morgan and Hunt (1994, p.22)	'Relationship marketing refers to all marketing activities directed to establishing, developing, and maintaining successful relational exchanges.'

(Source: Adapted from Gummerson 2008)

Scholars define relationship marketing according to their particular area of interest and thus each definition is presented discursively. O'Malley and Tynan (1999, p.589) suggest that 'this lack of clarity has provided researchers with the luxury of being able to choose whatever relationship definition best suits their research agendas at any given time.' Drawing from previous definitions, this study thus suggests key elements in defining RM. These key elements underpin the relationship marketing model for the Thai hotel industry as presented in Chapter 8. These key elements are:

- RM is a dynamic process
- RM is centred on the customer-hotel relationship - the values and beliefs of both parties affect the outcome of relationships

- RM emphasises long-term relationships with customers. Such relationships are established by understanding customer needs and wants and providing customers with the best possible quality of service, relative to individual needs
- RM stresses the importance of intermediaries and treats them as customers
- RM highlights the critical role of employees in achieving long-term relationships with customers
- RM highlights the critical role of competitors as potential partners
- RM results in customer commitment, repurchase and loyalty
- RM is embedded in a cultural context

While the relationship between a hotel and its customers is the core of relationship marketing practice, it is important to also acknowledge the importance of other stakeholders, by considering the hotel's relationships with its intermediaries, competitors and employees. Fulfilled employees, for example, provide excellent service which in turn leads to customer satisfaction and customer loyalty as has already been discussed in Section 3.4 (Heskett et al. 1994). Furthermore, as Palmer (2000) argues, culture (in this study, specifically Thai culture) plays a key role in defining a relationship and a thorough understanding of cultural differences should also inform any relationship marketing strategy (further detail is provided in the following chapter). If they are effectively managed, differences in culture can lead to innovative business practices and sustainable sources of competitive advantage (Hoecklin 1995).

4.6. Customer loyalty: the key goal in RM

Customer loyalty and its related constructs play a crucial role in the success of relationship marketing (Reichheld & Sasser 1990; Morgan et al. 2000). Several authors (e.g. Dick & Basu 1996; Javalgi & Moberg 1997; Bloemer & Ruyter 1998; Diller 2000) claim that customer loyalty is the key goal of relationship marketing.

Customer loyalty research has mainly focused on the loyalty which consumers display towards tangible products and is often termed *brand loyalty* (Gremler & Brown 1996). The concept of customer loyalty also extends to service organisations which typically provide somewhat more intangible products.

There appear to be two main strands of thought on the essence of customer loyalty: behavioural and attitudinal (Dick & Basu 1994; Javalgi & Moberg 1997). The definition of loyalty in *behavioural* terms refers to a customer's likelihood to make repeat purchases, indicating a preference for a brand or a service over time (Gremler & Brown 1996; Javalgi & Moberg 1997). Although current thought infers that loyalty involves more than just a behavioural dimension, some researchers continue to measure loyalty exclusively in this way (Gremler & Brown 1996).

The *attitudinal* approach, however, refers to a customer's intention to repurchase and recommend, which are good indicators of a loyal customer (Javalgi & Moberg 1997). Moreover, a customer who has the intention to repurchase and recommend is very likely to remain with the company. Diller (2000) claims that a customer who is loyal to a firm will typically have feelings and perceptions of (high) satisfaction and positive attitudes. Morgan et al. (2000) thus argue that a solid RM strategy must involve both in-process, psychologically oriented variables and end-result, behavioural variables if a firm wants to attain long-term loyal customers.

Based on the discussion above, the definition used in this study is that a 'loyal customer' is a customer who repurchases from the same hotel whenever possible, and who continues to recommend or maintains a positive attitude towards the hotel.

A transaction-oriented view of the customer would consider the sales value and margin earned from each sale. A relationship-oriented view of the customer, however, considers the revenues and contributions earned from a long-term relationship with a loyal customer (Buttle 1996; Gilbert 1999). Research has shown that a 5 per cent increase in customer loyalty can produce an overall increase in profit of 25 per cent to 85 per cent (Reichheld & Sasser 1990). Furthermore, according to Reichheld and Sasser (1990) profitability from loyal customers is generated by reduced servicing costs, less price sensitivity, increased spending, and favourable recommendations passed on to other potential customers. Diller (2000) identifies a number of benefits which are associated with having loyal customers. Firstly, loyal customers may introduce more certainty into the business; secondly, loyal customers may be more willing to accept higher prices; and finally, customer loyalty may generate more profitability through cost saving and increases in revenue. Thus, keeping customers loyal is a sensible business strategy. Customer loyalty means that 'the consumer will return/repurchase over

time even when other alternatives are available and other firms competitively respond' (Morgan et al. 2000, p.78). Customer loyalty is most likely to be achieved on the basis of customer contact with employees who make customers feel welcome and cared for (Lashley 2000). Hence the challenge to the organisation is to manage marketing quality and customer service strategies so that they are more effective (Gummesson 2008).

In the case of the hotel industry, it is important for hotels to develop customer loyalty instead of relying solely on pricing strategies (Gilbert 1999). In order to develop customer loyalty, hotels need to understand the theoretical framework of customer loyalty, and in particular, the specific factors which lead to the development of customer loyalty. As was discussed in the previous chapter, the literature provides a strong case for the argument that services have unique characteristics that distinguish them from goods. Thus, it is quite possible that customer loyalty to a hotel may be based on service-related factors such as the personality of front-line employees. Services provide more opportunities for person-to-person interactions, which, in turn, provide frequent opportunities for loyalty to develop (Parasuraman et al. 1985; Surprenant & Solomon 1987). A customer will decide to be loyal to a hotel based on their feelings of satisfaction, positive attitudes and if they have a preference for the products and services that the hotel provides for them (Diller 2000). As customers become more satisfied with the service they receive, they purchase more products and services. The customer gives loyalty in exchange for the fulfilment of their expectations. In the past, hospitality managers believed that firms could improve their profits by simply satisfying customers (Morgan & Trivedi 2007). Recent studies show, however, that satisfying customers alone is not enough, since there is no guarantee that satisfied customers will return to purchase more products (Morgan & Trivedi 2007). Thus, ensuring customer loyalty is crucial to the success of hotels. From a practical standpoint, there is currently no definite theoretical framework which identifies the factors that lead to the development of customer loyalty (Gremler & Brown 1996). However, there is a consensus amongst practitioners and academics that clearly focuses on three constructs which are prerequisites of customer loyalty: customer satisfaction, trust, and commitment (Cronin & Taylor 1992; Gremler & Brown 1996; Dorsch et al. 1998; Smith 1998; Barnes 2000; Diller 2000; Liljander 2000; Morgan et al. 2000).

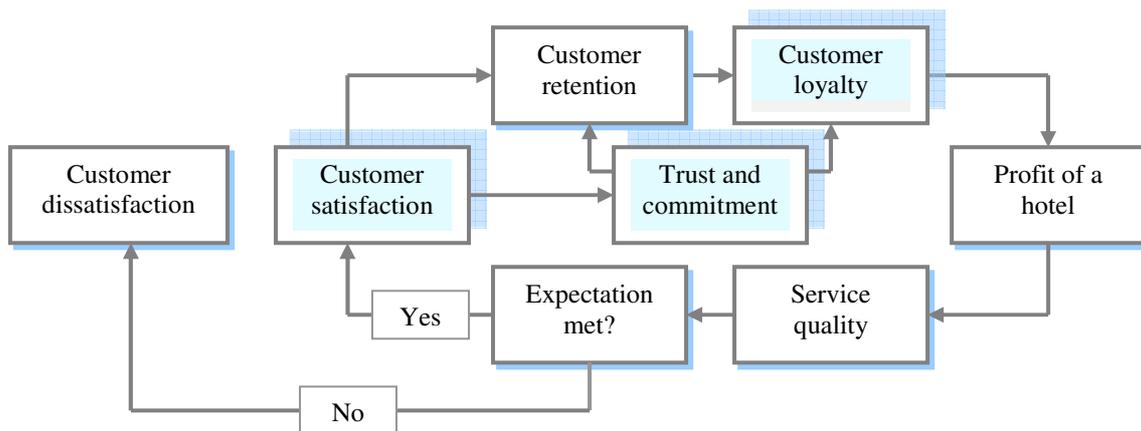


Figure 4.3: The connection between customer loyalty prerequisites in the hotel industry

Figure 4.3 presents the connections between the various prerequisites of customer loyalty. This begins as soon as the customer steps into a hotel. When the customer’s expectation is met by the high quality of service, their level of satisfaction will increase and there will be a high possibility of repeat purchase. Meanwhile, the customer develops feelings of trust and commitment to the hotel. This commitment not only results in repeat visits to the hotel, but also boosts the hotel’s reputation. This is especially the case if a satisfied customer recommends the hotel to other potential customers or writes a good review on the Internet. The customer exhibits a high level of loyalty to the hotel, which takes advantage of this relationship by stimulating direct repurchase and indirect marketing promotion by means of personal recommendation or appraisal. Motivated by the effect of increased customer loyalty, the hotel engages in an improvement of service quality, and thus a new round of this continuum is initiated.

4.6.1. Trust and commitment: the relational constructs

Trust and commitment are key relational constructs in establishing, developing, and maintaining long-term relationships with customers and other stakeholders (Morgan & Hunt 1994; Harris et al. 2003). The presence of trust and commitment is a key indicator of when RM strategies may be valuable (Egan 2004). Furthermore, Morgan and Hunt (1994, p.22) argue that:

‘Commitment and trust are ‘key’ ‘because they encourage markets to (1) work at preserving relationship investments by cooperating with exchange partners, (2) resist attractive short-term alternatives in favour of the expected long-term benefits of staying with existing

partners, and (3) view potentially high-risk actions as being prudent because of the belief that their partners will not act opportunistically. Therefore, when both commitment (i.e. loyalty) and trust - not just one or other - are present, they produce outcomes that promote efficiency, productivity, and effectiveness.'

In other words, trust and commitment lead directly to cooperative behaviours that contribute to the success of RM. Morgan and Hunt (1994) have also developed the KMV (Key Mediating Variable) model to show the fundamental importance of trust and commitment in marketing relationships (Section 4.9.3).

Trust is defined as the confidence that a consumer has in a firm (Morgan & Hunt 1994). Confidence is associated with consistency, competence, honesty, fairness, willingness to make sacrifices, responsibility, helpfulness and benevolence (Morgan & Hunt 1994). The inclusion of trust as a central variable in a relational exchange has been examined widely in the marketing literature. For example, in services marketing, Berry and Parasuraman (1991) have found that customer-service provider relationships require trust. From this perspective, Crosby et al. (1990), for instance, found that salesperson behaviours such as contact intensity, mutual disclosure and co-operative intentions have a positive impact on the customer's levels of satisfaction and trust, which lead to a strong buyer-seller bond (Section 4.9.1). In retailing, Berry (1983, p.1) has stressed that 'trust is the basis for loyalty.' In service marketing, Parasuraman et al. (1985) view trustworthiness, in addition to believability and honesty, as a key component of credibility, which in turn determines perceptions of service quality. In a business-to-business context, trust is the belief that one's partner will act in a predictable manner, will keep his or her word, and will not behave in a way that negatively affects the other (Hollensen 2003). Diller (2000) states that a greater level of trust generally exists in a supplier-customer relationship which involves loyal customers; agreements between them tend to be more reliable. Morgan and Hunt have also notably identified trust as a key construct in their model of relationship marketing. Trust influences commitment insofar as, without trust, there can be no commitment.

Drawing on the conceptualisations of commitment in social exchange, marriage, and organisations, Morgan and Hunt (1994, p.23) define relationship commitment as 'an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it; that is, the committed party believes the relationship is

worth working on to endure indefinitely.’ This definition corresponds almost exactly to that developed by Moorman et al. (1992). According to Wilson (1995), relationship commitment is the most commonly used dependent variable used in buyer-seller relationship studies. In the services relationship marketing area, Berry and Parasurman (1991, p.139) maintain that ‘relationships are built on the foundation of mutual commitment.’ Thus, the importance of these concepts can be addressed in service-based industries such as hotels.

In the hotel industry, trust is particularly important due to the intangible nature of services, as discussed in the previous chapter. In addition, the challenge for hotel managers is to demonstrate their commitment to the customer relationship and inculcate trust in their partners (Buttle 1996). Hence, trust and commitment theory can be applied to the hotel industry in order to establish, develop, and maintain long-term relationships with customers and other stakeholders. Combining different views of previous research, this study perceives trust and commitment as both prerequisites and results of long-term relationships. They emerge and are built up during the dynamic interactions which occur between hotels and their customers.

4.6.2. Customer satisfaction

Customer satisfaction has been researched extensively due to a strong positive relationship between customer satisfaction and loyalty, which in turn leads to business success (Anderson & Fornell 1994). Recently, however, the existence of this link has been questioned by a number of researchers (e.g. Jones & Sasser 1995; Reichheld 1993, 1996). Although these authors provide evidence for high defection rates of satisfied customers, this phenomenon remains largely unexplored in academic literature. A large number of approaches and instruments have been developed to study and measure customer satisfaction. As it is not possible to cover all of these theories, this study focuses only on customer satisfaction as a prerequisite of loyalty within the context of the hotel industry.

Although traditional models implicitly assume that customer satisfaction is essentially the result of cognitive processes, more recent research suggests that affective processes may also contribute substantially to a customer’s level of satisfaction (Westbrook & Oliver 1991; Oliver 1997). Various researchers have also argued that satisfaction should be viewed as a judgment based on the cumulative experience of a certain product or service rather than a

transaction-specific phenomenon (e.g. Anderson & Narus 1990; Bayus, 1992; Anderson & Fornell 1994; Ganesan 1994); conceptualising satisfaction as the outcome of a single transaction might be too restrictive. Furthermore, a single transaction which results in customer satisfaction is unlikely to lead to long-term loyalty.

Satisfaction occurs when the customer's experience fulfils or exceeds his or her expectations (Diller 2000). Services researchers argue that a customer's satisfaction with a particular service is primarily the outcome of the interactive relationship between the service provider and the customer (Grönroos 1990; Berry & Parasuraman 1993). Research conducted by Parasuraman et al. (1985, 1988) provides the basis for the measurement of customer satisfaction with a service by measuring the gap between the customer's expectation and their perceived experience of the performance of a service (Section 3.6.3). Cronin and Taylor (1992) propose the 'confirmation/disconfirmation' theory of combining the 'gap' described by Parasuraman et al. which is divided into two different measures (perception and expectation of performance) into a single measurement of performance based on expectation. These authors conducted their study in service sectors including banking, pest control, dry cleaning, and fast food, and found that customer satisfaction has a significant effect on purchase intentions in all four sectors. Similarly, in the health-care sector, McAlexander et al. (1994) found that patient satisfaction and service quality have a significant effect on future purchase intentions. Getty and Thompson (1994) studied relationships between quality of lodging, satisfaction, and the resulting effect on customers' intentions to recommend the lodging to prospective customers. Their findings suggest that customers' intentions to recommend are a function of both their satisfaction and their perceptions of the quality of service offered. Hence, drawing upon the discussion above, it can be concluded that there is a positive relationship between customer satisfaction and customer loyalty.

There are a number of factors that lead to the development of customer satisfaction. In order to understand customer satisfaction in the context of the hotel industry, this study focuses mainly on two factors: the role of service quality and customer service, and customer expectations.

4.6.2.1. The role of service quality and customer service

The role of service quality and customer service has already been explored in Section 3.6. Service quality and high levels of customer service are important in ensuring customer satisfaction and in developing long-term relationships with customers (Christopher et al. 2002). Research has shown that excellent service leads to improved profitability. In an environment of relationship commitment and trust, RM requires a hotel-wide commitment to providing high-quality service which is reliable, empathic and responsive (Buttle 1996). This may create a total service offering to the customer that evolves as the relationship develops (Grönroos 1997). Service excellence has a key role to play in attracting, maintaining, and enhancing customer relationships. There are a number of factors which contribute to the effectiveness of customer service which include employee satisfaction and employee loyalty. The purpose here is simply to reiterate the point made in Section 3.4 regarding the importance of the role of employees in providing excellent service to customers.

4.6.2.2. Customer expectations

It is agreed that customer expectations have a significant influence on the outcome of customer satisfaction (Lewis 1995). Although customers often find it difficult to evaluate the quality of services in advance of purchase, they do frequently form certain expectations (Grönroos 2007). They then evaluate the quality of service based on a comparison between their expectations and what they perceive they received (Lovelock et al. 2005). If their expectations are met or exceeded, then these customers are likely to be satisfied and they are more likely to make repeat purchases and become loyal customers (Kotler et al. 2003; Lovelock et al. 2005). Expectations are dynamic and can vary depending on the customer and the situation (Parasuraman et al. 1991). The factors that influence expectation formation and change include advertising, previous personal experience, individual needs and wants, and word-of-mouth recommendations (Parasuraman et al. 1991; Grönroos 2007). Companies therefore need to be aware of whether the experience of receiving the service and its benefits meets the customer's expectation (Buttle 1996). In the hotel industry, there are a number of factors which influence customer expectations and satisfaction. These are outlined in Section 3.5.

4.6.3. Customer retention

'Retention and loyalty are closely related to, but not the same as, economic RM success' (Henning-Thurau & Hansen 2000, p.7). Retention is purely behavioural in nature, while loyalty incorporates both behavioural and attitudinal aspects (Henning-Thurau & Hansen 2000; Morgan et al. 2000). Furthermore, customers who are not loyal will be less willing to absorb price increases or recommend the product or service to others (Morgan et al. 2000). However, there is a broad consensus on the crucial role of customer retention for RM success (Reichheld & Sasser 1990; Heskett et al. 1994; Gilbert et al. 1999; McEllroy & Barnett 2000). It is argued that an increase in retention leads to cost reductions and increases in sales (Reichheld & Sasser 1990). Furthermore, research has shown a link between customer satisfaction and customer retention (Anderson & Sullivan 1993; Rust & Zahorik 1993; Bolton 1998; Loveman 1998; Mittal & Kamakura 2001) to the extent that customer retention is in fact an outcome of customer satisfaction. Moreover, customer retention is the ultimate objective of all customer retention programmes. Research shows that these customer retention programmes create customer loyalty (e.g. O'Brien & Jones 1995; Barlow 1996). This is in line with Reichheld and Sasser (1990) who suggest that companies should attempt to improve their customer retention performances in order to build customer loyalty.

A well-designed, strategic customer retention programme should include plans and methods for customer identification, segmentation, reward design, and programme maintenance operations that may be very resource intensive (Morgan et al. 2000).

For the purposes of this study, customer retention has been seen as an outcome of customer satisfaction, trust, and commitment (see Figure 4.3 above) and is defined as a customer who continues to repurchase from the same hotel whenever possible. This customer can become a loyal customer if the hotel successfully develops a good quality relationship with him or her.

In summary, it is clear that the emphasis for any firm (which, in the case of this study, is the hotel) should be on developing a relationship marketing strategy which aims to develop long-term relationships with customers in order to achieve customer loyalty. In order to achieve this loyalty, hotels must enhance customer satisfaction, trust and commitment to the hotel by ensuring that everyone in the hotel understands their role in meeting customer expectations

(Lovelock et al. 2005). A satisfied customer is more likely to display loyalty and return in the future, which will ultimately increase the profitability of the hotel.

4.7. Different types of relationships

RM involves a range of relationships. Varying RM strategies and tactics are applicable depending on the context. This section explains the scope and type of these relationships provided by researchers and analyses the common ground between them.

Morgan and Hunt (1994, p.21) propose ‘ten relationship exchanges’ with ‘four partnership’ groups and ‘ten relationships’: *buyer partnerships* (ultimate customers, intermediate customers), *supplier partnerships* (goods suppliers, service providers), *lateral partnerships* (competitors, non-profit organisations, governments), and *internal partnerships* (functional departments, employees, business units; see Table 4.4 below).

Christopher, Payne and Ballantyne (2002, p.76) suggest a ‘six markets’ model, which consists of *customer markets* (existing and prospective customers) surrounded by *supporting markets* which consist of *referral markets* (satisfied customers who recommend the supplier to others), *supplier markets* (considered as partners rather than adversaries), *employee markets* (ensuring that the right employees are recruited and promoted), *influence markets* (such as financial analysts, journalists and governments), and *internal markets* (the organisation and its staff; see Table 4.4).

Hollensen (2003, p.18) suggests ‘three categories of relationships’: *dyadic relationships* - a dyadic buyer-seller relationship, *a chain of relationships* - the relationship is still dyadic but goes beyond the buyer-seller relationship to include all marketing activities directed towards establishing, developing, and maintaining successful relational exchanges in the entire vertical value chain, and *network relationships* - a more complex structure of relationships or networks involving three or more parties (see Table 4.4).

Gummesson (2008, p.45) proposes ‘30 relationships’ or ‘30Rs’ at different levels, including those with competitors, shareholders and the media. In his paper, the relationships are divided into four levels (see Table 4.4):

- *Classic market relationships* (R1-R3) are the *supplier-customer dyad*, the triad of supplier-customer-competitor, and the physical distribution network, which are treated extensively in general marketing theory.
- *Special market relationships* (R4-R17) represent certain aspects of the classic relationships, such as the interaction in *the service encounter* or *the customer as member of a loyalty programme*.
- *Mega relationships* (R18-R23) exist above the market relationships. They provide a platform for market relationships and concern the economy and society in general. Among these are mega markets (lobbying, public opinion and political power), mega alliances, and social relationships (such as friendship and ethnic bonds).
- *Nano relationships* (R24-R30) are found beneath the market relationships; that is, they consist of relationships inside an organisation (*intra-organisation relationships*). All internal activities influence the externally bound relationships.

Table 4.4: Comparing different relational models

Source	Categories	Subcategories	Similarities
Morgan and Hunt (1994)	4 partnerships and 10 relationships	<ul style="list-style-type: none"> - Buyer partnerships <ul style="list-style-type: none"> Intermediate Final consumer - Supplier partnerships <ul style="list-style-type: none"> Goods suppliers Service suppliers - Lateral partnerships <ul style="list-style-type: none"> Competitors Non-profit organisations Government - Internal partnerships <ul style="list-style-type: none"> Business units Employees Functional department 	<ul style="list-style-type: none"> - Customers - Intermediaries - Suppliers - Competitors - Employees
Christopher, Payne and Ballantyne, (2002)	6 markets	<ul style="list-style-type: none"> - Customer markets - Referral markets - Supplier markets - Influence markets - Recruitment markets - Internal markets 	<ul style="list-style-type: none"> - Customers - Intermediaries - Suppliers - Competitors - Employees
Hollensen (2003)	3 relationships	<ul style="list-style-type: none"> - Dyadic relationships - A chain of relationships - Network relationships 	<ul style="list-style-type: none"> - Customers - Intermediaries - Suppliers - Competitors

Gummesson (2008)	30 relationships	<ul style="list-style-type: none"> - Classic market relationships (R1-R3) - Special market relationships (R4-R17) - Mega relationships (R18-R23) - Nano relationships (R24-R30) 	<ul style="list-style-type: none"> - Customers - Suppliers - Competitors - Employees
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(Source: Adapted from Gummesson (2008))

Whether the relational model is represented as ‘four partnerships and ten relationships’ (Morgan and Hunt 1994), ‘six-markets’ (Christopher et al. 2002), ‘three relationships’ (Hollensen (2003) or ‘30R’s’ (Gummesson 2008), the common ground between these concepts appears to be the constituent relationships with customers, intermediaries, suppliers, competitors, and employees (see Table 4.4).

A number of other researchers have also studied the following types of exchange relationships:

- Service providers and clients (Beltramini & Pitta 1991; Moorman et al. 1992)
- Strategic alliances with competitors (Varadarajan & Rajaramam 1986; Nueno & Oosterveld 1988; Ohmae 1989; Day 1990; Bucklin & Sengupta 1993; Bengtsson & Sören 1999)
- Long-term relationships between a firm and its customers (Comer et al. 1980; Berry 1983; Dwyer et al. 1987)
- Exchanges between a firm and its employees (Berry & Parasuraman 1991)

In the hotel industry, the relationships with different individuals and groups always exist. In line with the above discussion, four types of relationships within the hotel industry are explored in this study. These include:

1. The relationship between customers and the hotel
2. The relationship between intermediaries and the hotel
3. The relationship between employees and the hotel
4. The relationship between competitors and the hotel

4.8. Different types of relationships in the hotel industry

It is widely acknowledged that the hotel industry operates in a complex, dynamic commercial environment. Relationships in the hotel industry thus can be classified as a network relationship. A network relationship is a more complex structure of relationships or networks which involves three or more parties (Hollensen 2003; see Figure 4.4).

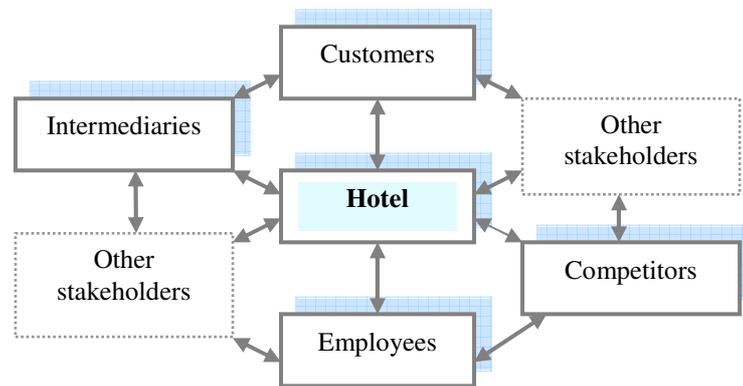


Figure 4.4: Complex relationships in the hotel industry

In this section, the scope and types of relationships within the hotel industry are explored. An analysis is conducted of how the boundaries of relationships are drawn; all of these relationships require crucial RM elements in order to build and maintain long-term customer relationships.

4.8.1. The relationship between customers and the hotel

The relationship between customers and the hotel can be classified as a dyadic buyer-seller relationship (Gummesson 2008). In this study, customers were categorised into three groups: independent travellers, representatives of business organisations, and industry intermediaries (Section 6.7.1.3), which Morgan and Hunt (1994) define as ‘buyer partnerships’. However, the relationships between industry intermediaries and hotels are, more accurately, business-to-business relationships (Christopher et al. 2002) which may require different RM strategies and tactics. This type of relationship is therefore explained separately in Section 4.8.2.

4.8.1.1. The atmosphere in which interaction occurs

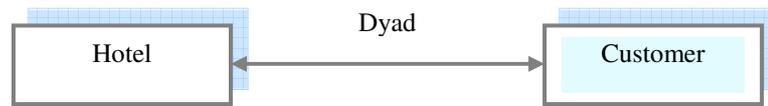


Figure 4.5: The relationship between customers and the hotel
(Source: Adapted from Hollensen 2003)

Figure 4.5 shows the relationship between customers and the hotel. The interaction involves personal exchanges between customers and hotel employees during the service process (Section 3.6.2). Service quality is important here because the quality of the service that the hotel provides determines whether a customer is satisfied or dissatisfied. Based on a review of the literature, hotels have always recognised the value of repeat customers (Gilpin 1996) and place importance on maintaining long-term relationships because it is generally much cheaper to keep an existing customer than to attract a new customer. A long-term customer can provide feedback on existing products and insights into new or re-engineered products, as well as providing recommendations and generating new business (Diller 2000; Christopher et al. 2002; Hollensen 2003). Word-of-mouth is still one of the strongest promotional tools within this sector.

4.8.1.2. RM elements in maintaining long-term relationships with customers

A number of crucial RM elements have been proposed by researchers in order to build and maintain long-term relationships with customers. These can be grouped into four categories: products, service, pricing, communication, and technology.

Products: As discussed in Section 3.5.1, first impressions are important; hotels must therefore pay attention to the physical elements of the product they are providing. The exterior and interior appearance of a building (Ottenbacher 2007), as well as its comfort and amenities (Gundersen et al. 1996) and cleanliness (Qu & Li 1997) are considered to be the most important factors which contribute to both customer expectations and satisfaction.

Service: A high quality of service is vital to maintaining long-term relationships with customers. Grönroos (1996, p.5) proposes that the company should develop a customer-oriented service system. Lovelock et al. (2005) suggest that the service product must be tailored to customer needs and realistically priced. Berry (1995) argues that the company

should develop a core service around which to build a customer relationship, customise the relationship to the individual customer, and then augment the core service with extra benefits. There are also a number of attributes which are related to the quality of service that contribute directly to customer expectations and satisfaction, which have already been mentioned in Section 3.5.2.

Pricing: Henning-Thurau & Hansen (2000, p.9) propose the adoption of 'relationship-oriented pricing' which is centred on the application of price differentiation strategies. They claim that this leads to true customer commitment rather than 'cold loyalty' (Henning-Thurau & Hansen 2000; Morgan et al. 2000).

Communication: Morgan and Hunt (1994) have found that communication has a positive indirect effect on stimulating customer commitment. Communication is referred to as a component of perceived service quality by Parasuraman et al. (1985). Anderson and Narus (1990) have stressed the crucial role that communication plays in the formation of cooperation and trust in partnerships. Duncan and Moriarty (1998) have developed a communication-based model for managing relationships. This model gives special attention to two aspects: the need for integrated communication and the demand for interactive communication. Ahlert (2000) states that the company must communicate information to its customers in a way that is sufficiently interesting to elicit a response. A complaint management system is considered one of the most powerful tools for enabling communication with customers (Duncan & Moriarty 1998; Jeschke et al. 2000).

Technologies: Grönroos (1996) proposes that the company should build a database which contains necessary information about customers and others. Buttle (1996) suggests that details of customer history such as purchase information, information on expectations and satisfaction, and information about complaints need to be addressed with the use of advanced technology. Morgan et al. (2000, p.73) argue that customer retention programmes must be 'relationship-oriented' because 'relationship-oriented programmes would not only tie the customer to the firm for longer periods, they would also provide the firm with benefits beyond the value of a series of single sales transactions.' Customer Relationship Management (CRM) has its main premise in profitable customer retention and has made valuable contributions to client management (Harwood et al. 2008). Establishing a detailed customer database will allow companies to keep track of the personal information and individual preferences of all

their customers. This will enable them to provide better service and value, re-establish contact with customers, and work successfully towards increasing customer retention, repeat sales, and customer referrals.

4.8.2. The relationship between intermediaries and the hotel

The hotel industry conducts relationships at all levels, from long-term investments by financial institutions to management contracts and franchising. However, major contracts are usually negotiated with corporate businesses and travel agencies (Gilpin 1996), which can be categorised as industry intermediaries. The relationship between intermediaries and the hotel is still dyadic but goes beyond the buyer-seller relationship to include all marketing activities directed towards establishing, developing, and maintaining successful relational exchanges in the total vertical value chain (Hollensen 2003).

4.8.2.1. The atmosphere in which interaction occurs

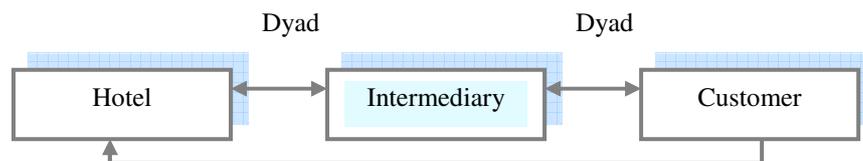


Figure 4.6: The relationship between intermediaries and the hotel
(Source: Adapted from Hollensen 2003)

The development of RM with end customers in the hotel industry is heavily dependent on the operation and behaviour of intermediaries e.g. travel agencies play a key role in advising the end customer on choosing a hotel. As Figure 4.6 shows, within the basic relationship structure, three types of relationships exist – hotel-intermediary, intermediary-customer, and hotel-customer. Trust is immensely important in these relationships (Gilpin 1996). The model formulated by the IMP group which was addressed in Section 4.4.2 provides some means of explaining the interaction of hotels and their intermediaries. Trust and commitment are two highly interrelated notions (Kumar et al., 1995) which generate a relational bond between the hotel and the intermediaries and facilitate the establishment of productive collaborations. Relationships develop in a natural way over time as buyers and sellers develop trust and friendships supported by quality products and services (Wilson 1995, p.335). Therefore, uncertainty within the relationship is reduced, the efficiency of resource utilisation is increased and value is generated for both parties (Sarkar et al., 1998).

4.8.2.2. RM elements in maintaining long-term relationships with intermediaries

Although the exact elements associated with a successful relationship with intermediaries vary from situation to situation, the research literature consistently recognises the following factors as important: attachment, communication, dependence, investment, opportunistic behaviour, reciprocity, reputation, satisfactory prior outcomes, and trust (Morgan & Hunt, 1994; Wilson 1995; Barnes 2001). Morgan and Hunt (1994) also demonstrate the central role of 'commitment' and 'trust' in successful business relationships. Crosby et al. (1990) propose a relationship quality model in the service context and suggest that high contact intensity, mutual disclosure, and co-operative intentions are key dimensions of achieving relationship quality. Barnes (2000) proposes caring and sincerity as additional dimensions, while Gibert et al. (1999) suggest the formation of personal relationships or networking. Effective price discounting is still the industry norm, the rationale being that business is thus increased and customer loyalty built (Gilpin 1996, 2000). It is used mostly within the travel trade, business-channel intermediaries and corporate customers booking conferences.

4.8.3. The relationship between employees and the hotel

There has recently been an increasing amount of recognition of the contribution that employees make to successful RM (Christopher et al. 2002). It was mentioned previously (Section 3.4) that the relationship between employees and the hotel is essential. Employees play a key role in achieving customer satisfaction and customer loyalty through their interaction and relationship with customers. Therefore, before a hotel can generate satisfied and loyal customers through customer relationship management, it must first ensure employee satisfaction and employee loyalty through the equally intensive management of internal relationships (Henning-Thurau & Hansen 2000). In addition, it is necessary for the hotel management team to determine exactly how employees perceive the quality of the service they themselves receive from their hotel.

4.8.3.1. The atmosphere in which interaction occurs

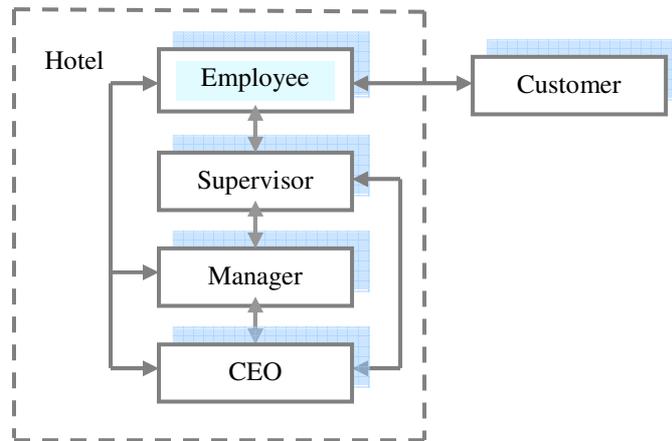


Figure 4.7: The relationship between employees and the hotel

Figure 4.7 illustrates the relationship between employees and the hotel. A relationship is developed through the interactions between the CEO, manager, supervisor, and employee. Within this framework, an organisational hierarchy should be inverted (see Section 3.2.1) so that the CEO is at the bottom of the structure followed by the manager and supervisor with the emphasis being placed on employees. The employee-hotel relationship strategies involve recognising the importance of motivating, training, and retaining quality employees through developing jobs which satisfy individual needs.

4.8.3.2. RM elements in maintaining long-term relationships with employees

In Section 3.4, a number of concepts which are essential to satisfying employees' needs and wants and maintaining their loyalty have already been discussed.

4.8.4. The relationship between competitors and the hotel

Relationship marketing is not limited to a hotel's relationships with its customers. Several studies stress the importance of relationships with other stakeholders i.e. competitors (Section 4.7). Studies using the network approach have provided useful insights into the nature of relationships among firms which are in highly competitive industries (e.g. Easton et al. 1993; Nalebuff & Brandenburger 1996; Gadde et al. 2003). From this perspective, forming relationships with other companies, gaining access to their resources and maintaining links

with their activities is critical in connecting a company to international networks and further developing useful business relationships (Gadde et al. 2003).

4.8.4.1. The atmosphere in which interaction occurs

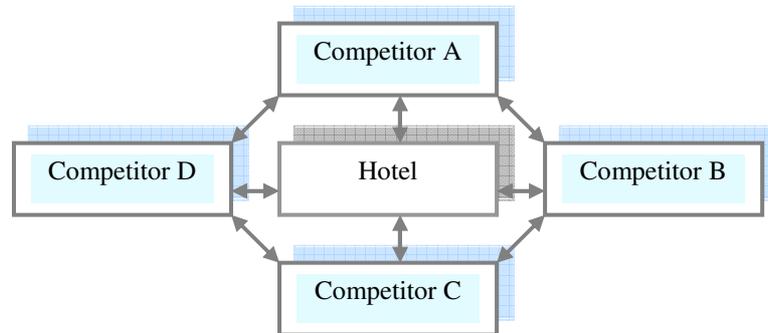


Figure 4.8: The relationship between competitors and the hotel

Figure 4.8 presents the relationship between competitors and the hotel. The relationships between competitors can have both a formal character i.e. strategic alliances and an informal character where relationships are based on trust and mutual interest; these may extend beyond dyadic relationships to the wider network (Lamming 1993). Collaboration between competing firms may create many opportunities for inter-firm learning (Johnsen & Johnsen 1999; Bernal et al. 2002). Competitors may be drawn to collaborate to learn from the experiences of others, to forge entry into new markets or to pool their resources to gain greater force and power in their networks (Johnsen & Johnsen 1999). In addition, this may help smaller hotels to compete with larger hotel groups, as these collaborative relationships may enable hotels to gain flexibility and speed of access to new capabilities, while also accruing the benefits of the resources and skills of another organisation (Bernal et al. 2002). Networks formed by competitors therefore offer a number of opportunities.

4.8.4.2. RM elements in maintaining long-term relationships with competitors

Bengtsson and Kock (1999) suggest that personal relationships and both private and professional social networks are key elements in maintaining long-term relationships with competitors. They also claim that any problems which arise are much easier to solve if social, as well as professional, relationships exist. This is in line with Uzzi (1997) who states that

strong social relationships enable access to more trustworthy information and problem solving therefore becomes easier.

4.9. Comparing relationship marketing models

Research on relationship marketing shows that ‘relationships are of a dynamic, rather than static, nature, and that this dynamic needs to be considered by researchers and practitioners’ (Henning-Thurau & Hansen 2000, p.11). Several different process models of relationship development have been proposed. In this section, a selected series of essential RM models developed by researchers that highlight marketing relationships within different relationship contexts are presented. The models encourage the application of ideas to reflect how relationship theories vary across relationship contexts. These contexts include life insurance customers and personal sellers, knowledge users and knowledge providers, automobile suppliers and dealers, a customer and a service worker in professional and personal service contexts, and customers and hotels.

4.9.1. Relationship development between life insurance customers and personal sellers (Crosby, Evan & Cowles 1990)

Crosby et al. (1990) formulated a model that depicts some of the key antecedents and consequences of relationship quality. The model was tested in the context of the agent policy holder relationship involving life insurance. Their findings conclude that in marketing whole life insurance, the salesperson’s ability to affect the customer’s commitment and dependency on the provider may be determined largely by the interpersonal relationship he or she establishes with the customer.

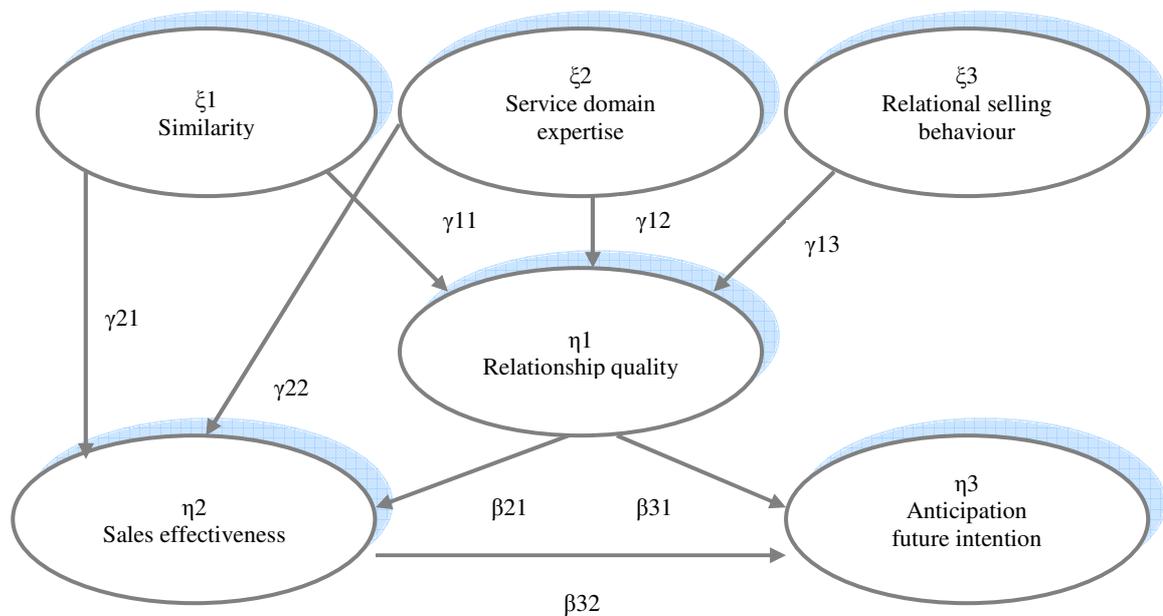


Figure 4.9: Relationship quality model

According to Crosby et al. (1990), the variables in the model are classified as pertaining to either salesperson attributes (e.g. expertise and similarity) or relational selling behaviours (e.g. contact intensity, mutual disclosure, cooperative intentions). The variable of relationship quality is conceived as a two-dimensional construct consisting of customer satisfaction and trust in the salesperson, while sales effectiveness and anticipation of future interaction are represented as outcome variables. The findings suggest that future sales opportunities depend mostly on relationship quality (i.e. trust and satisfaction), whereas the ability to convert those opportunities into actual sales hinges more on the conventional source characteristics of similarity and expertise. Relational selling behaviours such as cooperative intentions, mutual disclosure, and intensive follow up contact generally produce a strong buyer-seller bond.

Based on the findings of Crosby et al. (1990), it can be argued that the importance of a salesperson's ability to generate customer commitment and dependency on the provider can also be applied in the context of the hotel industry where front-line employees interact directly with the customers. As proposed in the model, relationship quality is conceived as a two-dimensional construct: customer satisfaction and trust. Behaviours such as contact intensity, mutual disclosure, and cooperative intentions therefore need to be addressed in order to develop trust and maintain commitment with customers in the hotels.

4.9.2. Relationship development between knowledge users and knowledge providers (Moorman, Zaltman & Deshpande 1992)

Moorman et al. (1992) investigated the role of trust between knowledge users and knowledge providers. Users consist of marketing and non-marketing managers, providers consist of marketing researchers within a user's own firm and those external to the firm. Their findings indicate that trust and perceived quality of interaction contribute most significantly to research utilisation, with trust having indirect effects through other relationship processes, as opposed to important direct effects on research utilisation.

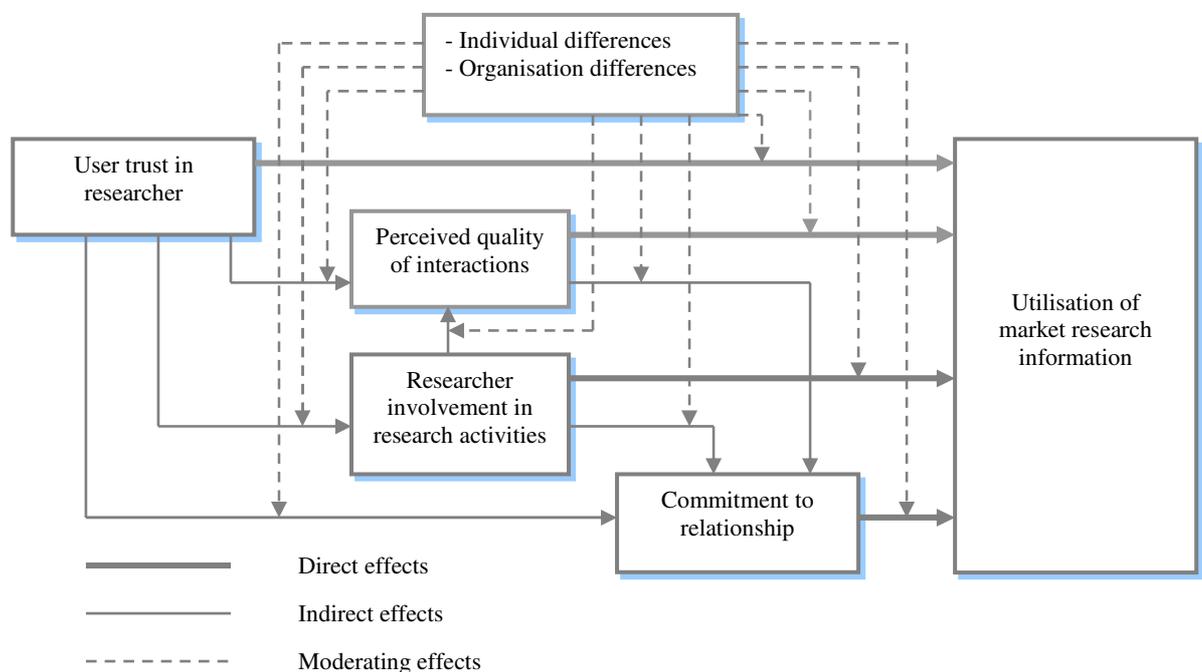


Figure 4.10: Market research relationship

This model indicates that the development of a long-term relationship between researchers and users is an important factor in ensuring the effective utilisation of research information. According to Moorman et al. (1992), there are four determinants of the utilisation of market research information. These determinants include user trust in the researcher, the perceived quality of interactions, researcher involvement activities and commitment to the relationship. These determinants can be adapted to the development of customer-hotel relationships.

4.9.3. Relationship development between automobile suppliers and dealers

(Morgan & Hunt 1994)

Morgan and Hunt have introduced the KMV (Key Mediating Variables) model and identified that trust and relationship commitment are the key factors in exchanges between partnerships. Its core argument is that successful relationship marketing requires a high degree of relationship commitment and trust. This argument was tested by means of a quantitative survey of automobile tyre retailers, and reported its measurement of 'trust' to three decimal places.

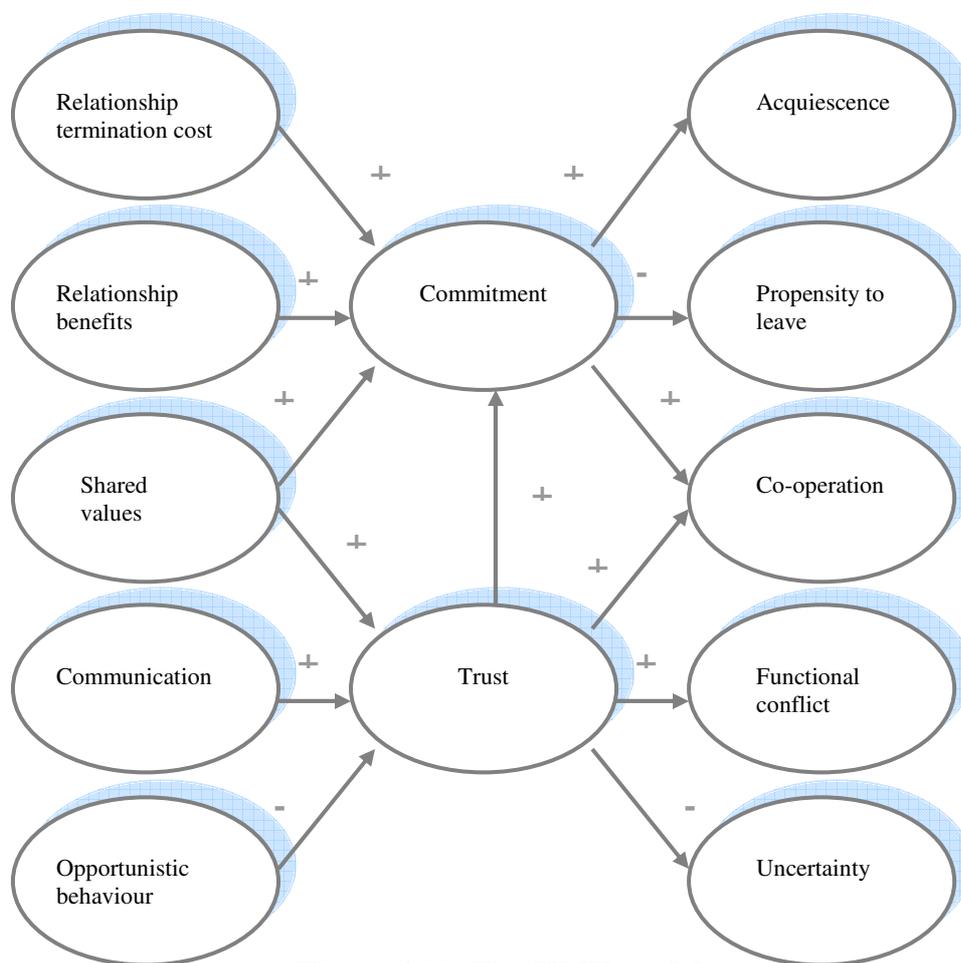


Figure 4.11: The KMV model

A number of antecedents for the development of trust have been identified within this model. These include shared values, good communication and opportunistic behaviour. Various outcomes as the result of trust between partners have been suggested, such as reduced uncertainty, greater cooperation and the recognition that differences will always exist between parties. A number of precursors for the development of commitment have also been

identified. These include the cost of termination of the relationship, the benefits of the relationship to both parties and the shared values. The consequences of commitment between partners include acquiescence, propensity to leave, and co-operation. Despite the fact that the KMV model was developed in an industrial context, it contains constructs which are broadly applicable, which allow this model to be easily adapted to other contexts, such as that of the hotel industry.

4.9.4. Relationship development between a customer and a service worker in a professional and personal service context (Bove & Johnson 2000)

Bove & Johnson (2000) provide a conceptual model that bases the role of customer relationships with service workers on the development of true customer loyalty to the service firm. Their findings suggest that strong customer relationships with a firm's service personnel lead to authentic customer loyalty to the service firm, as positive attitudes towards service staff are transferred directly to the firm.

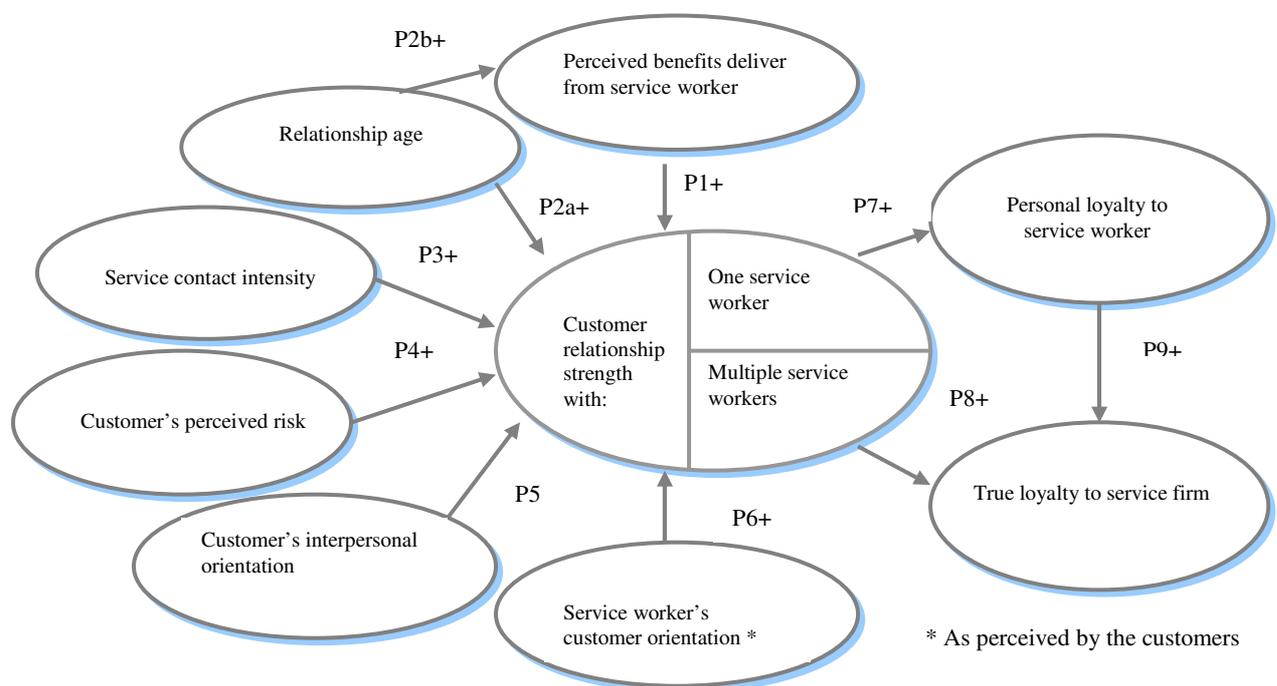


Figure 4.12: The customer-service worker relationship model

According to Bove and Johnson (2000), in order to allow true loyalty to the firm to be developed, there are six prerequisites for relationship strength. These include the amount of

perceived customer benefits/rewards derived from the service worker, the duration of the relationship, the intensity of contact between the service worker and the customer, the customer's perceived risk in acquiring the service, the customer's interpersonal orientation, and the service worker's customer orientation as perceived by the customer. This model can be applied to both professional and personal service businesses, where customers frequently interact with the same service worker every time they contact the service firm, which may perhaps be useful in explaining relationship development between hotel staff and their customers.

4.9.5. Relationship development between customers and the hotel (Sin, Tse, Chan, Heung, & Yim 2006)

Sin et al. (2006) developed the RMO (Relationship Marketing Orientation) model to investigate the link between relationship marketing orientation and business performance in the hotel industry. Given the importance of personal relationships in the hotel industry, the authors believe that RMO may potentially have a strong influence.

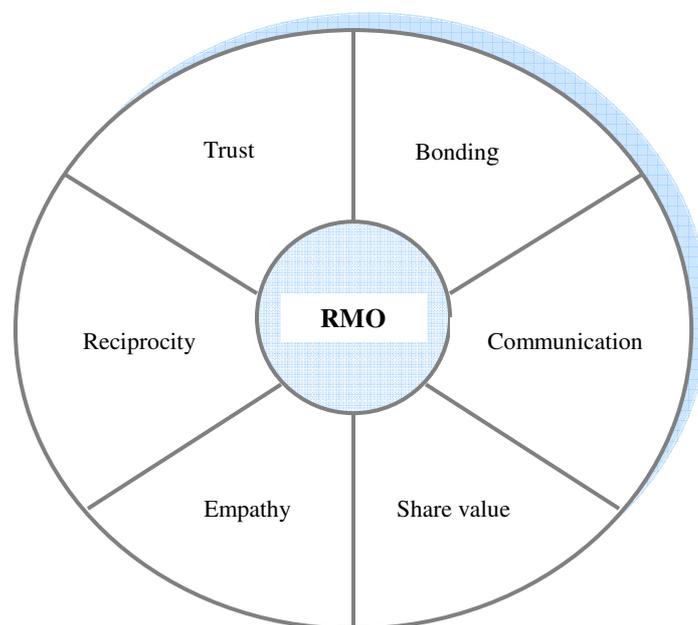


Figure 4.13: Six components of relationship marketing orientation (RMO)

The findings indicate that relationship marketing orientation is positively and significantly associated with financial performance (ROI, ROS, sales growth, and market share) and marketing performance (customer retention, customer satisfaction, and trust) in the hotel

industry. This RMO model consists of six components: trust, empathy, bonding, communication, shared value, and reciprocity. These components are claimed to be key elements in the development of strong relationships between a hotel and its customers and may help the hotel to increase customer loyalty and relationship commitment to the hotel.

Table 4.5: Comparing relationship marketing models

Contexts	Crosby, Evan & Cowles (1990)	Moorman, Zaltman & Deshpande (1992)	Morgan & Hunt (1994)	Bove & Johnson (2000)	Sin, Tse, Chan, Heung, & Yim (2006)
Core elements of relationship	Life insurance	Market research	Automotive	Service firms	Hotels
Trust	-Sales effectiveness	-User trust in researcher	-Shared values -Communication -Opportunistic behaviour -Uncertainty	-Perceived benefits deliver from service worker	-Shared values -Communication
Commitment	-Mutual disclosure, -Cooperative intentions -Anticipation future intention	-Commitment to relationship	-Relationship termination cost -Relationship benefits -Propensity to leave -Uncertainty	-Personal loyalty to service worker -True loyalty to service firm	-Reciprocity -Bonding
Service quality	-Expertise	-Perceived quality of interactions		-Customer's orientation -Service worker orientation -Customer's perceived risk	
Friendship	-Similarity -Contact intensity		-Acquiescence -Co-operation -Conflict	-Relationship age	-Empathy

In the opinion of the researcher, the elements proposed by the five relationship development models which have been discussed in this section can be distilled into four key factors which form the basis of relationship marketing: trust, commitment, service quality, and friendship (Table 4.5). The concept and practical implications of these elements are discussed in Section 8.4.

4.10. Conclusion

The main objective of this chapter is to comprehensively describe the nature and scope of relationship marketing in the service industry in order to demonstrate that relationship marketing is becoming increasingly significant in today's competitive hotel industry.

In the first part of this chapter, the development of relationship marketing was discussed and the various schools of relationship marketing were identified in order to clarify the concept of 'relationship marketing'. In the latter part of the chapter, customer loyalty and its related constructs were discussed, with customer loyalty being identified as the key goal of relationship marketing. However, without its related constructs i.e. customer satisfaction, trust and commitment, customer loyalty cannot be established. It is suggested that hotels find ways of building close, long-term relationships with customers. This is because winning new customers is significantly more costly than retaining existing customers. In order to develop relationship marketing strategies to win customer loyalty, it is therefore important to understand what customers are really looking for and provide excellent service in an environment of trust and commitment to building a long-term relationship. The aim of relationship marketing is to enhance satisfaction among targeted customers, build their trust and loyalty to the hotel, and sustain a long-term relationship. Finally, the chapter provides a review of successful RM models, which provide some guidance for developing a RM model for this study.

The following chapter examines the influence of a nation's culture on the success of relationship marketing in hotels. The influence of Thai culture in particular is explored.

CHAPTER 5: THAI CULTURE

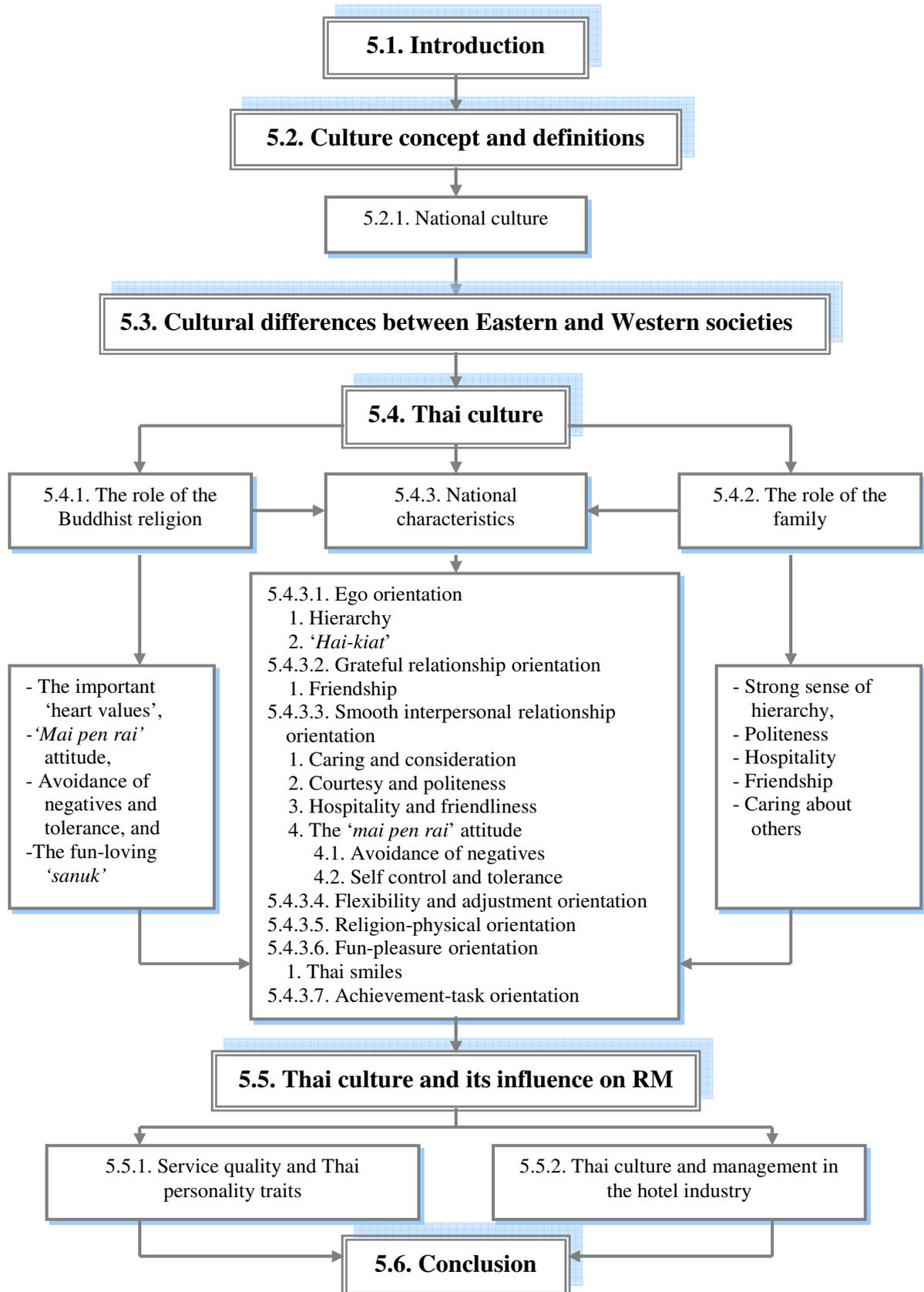


Figure 5.1: Structure of Chapter 5

5.1. Introduction

It has been demonstrated that culture has an important influence in defining, developing, and maintaining relationships (Gilbert & Tsao 2000; Palmer 2000). This chapter aims to discuss the ways in which Thai culture influences the development of long-term relationships between hotels, customers and other stakeholders with regard to factors such as the social foundations of business relationships and Thai national characteristics and personality traits.

Culture influences behaviour, expectations, perceptions, values, attitudes, beliefs, preferences, communication, and past experience (Zhao & Merna 1999). In this study, the exploration of culture will involve an examination of two categories:

- Management within Thai culture - relationships with customers, suppliers, shareholders, employees, competitors, and the community
- Service quality and Thai personality traits - the combination of culture, personality, and relationships

In order to understand the development of relationships in the hotel industry, this chapter begins by exploring the concept of culture and cultural differences between the East and the West. The chapter then proceeds to discuss Thai culture in the context of religion and family and analyses the contribution of Thai characteristics to relationship marketing and service quality in hotels. It concludes by discussing the importance of having a thorough understanding of cultural differences when conducting business in Thailand.

5.2. The concept and definitions of culture

Culture is a complex topic and can be defined in a variety of ways depending on the disciplinary background of the researcher. The complexity of the phenomenon is highlighted by Kroeber and Kluckhohn (1985) who note that there are over 160 definitions of culture within the research literature. Researchers from different disciplines define culture by their own means: sociology's view of culture, psychology's view of culture, anthropology's view of culture, intercultural communication's view of culture, national culture, and organisational culture (Figure 5.2). Some anthropologists, for instance, declare that culture is created by

humans, whereas behavioural anthropologists believe that culture is a determinant of human behaviour.

Culture develops in the institutions people build together: their family and religious organisations, workplace, educational structures, government, and law (Landis 1986). Most discussions of cultural understanding focus on the differences in values between cultures (Nicholson & Stepina 1998). As business becomes increasingly internationalised, cultural understanding becomes the foundation of success or failure in any corporate effort (Hall 1990; Adler 1991; Usunier 1993; Gilbert & Tsao 2000; Hendon 2001; Reisinger & Turner 2003; Hofstede & Hofstede 2005). Those who understand the culture in which they are operating are much more likely to develop beneficial, long-term business relationships and positive personal relationships in their dealings (Gee 1994). Furthermore, service encounters between tourist and host in the hotel industry can be explained within the context of culture. The cultural differences between tourists and service providers may affect their social experiences. ‘Cultural experiences can be either satisfying or rewarding, or they can be unpleasant and generate stress and even conflict’ (Reisinger & Turner 2003, p. xiii).

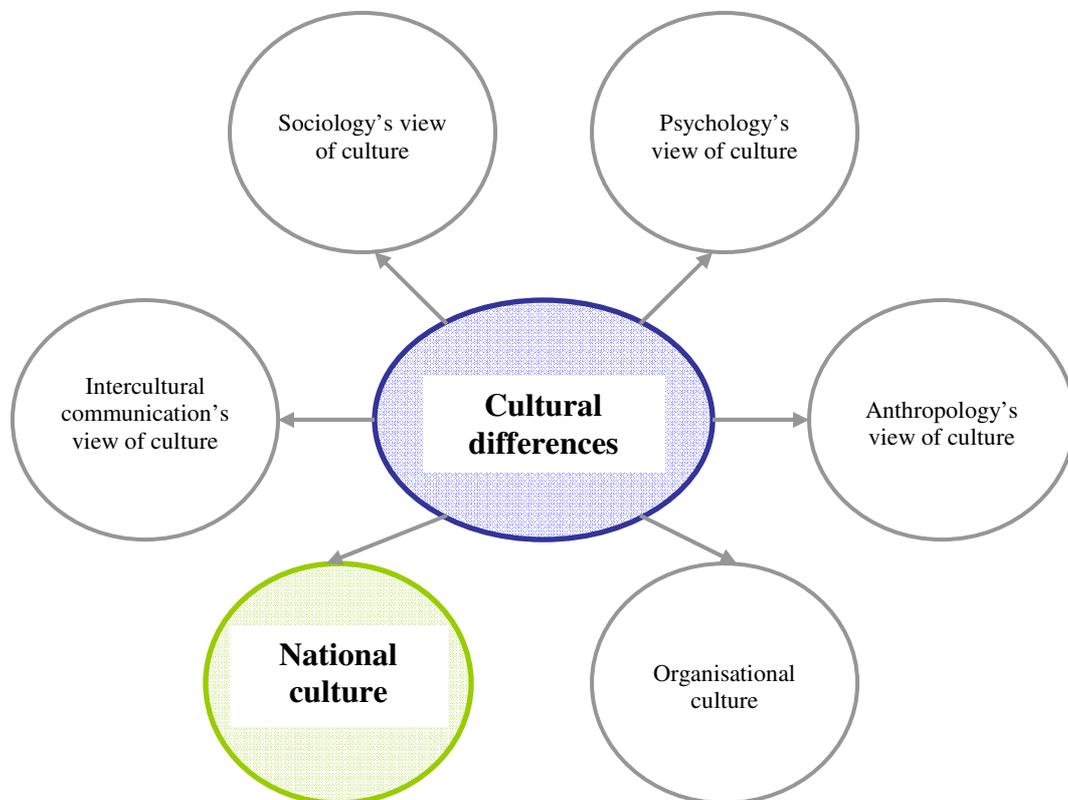


Figure 5.2: Cultural differences

5.2.1. National culture

In this section, a brief overview of the concept and definitions of national culture is provided. The majority of definitions of national culture refer to culture in psychological terms and utilise terminology such as values, norms, rules, behaviour, experience, perceptions, attitudes, religion, beliefs, symbols, knowledge, ideas, meanings, and thoughts (Argyle 1978; Landis & Brislin 1983; Harris & Moran 1996; Herbig & Dunphy 1998; Nicholson & Stepina 1998; Reisinger & Turner 2003). Culture has also been defined in terms of social interaction, rules about behaviour, perceptions, thoughts, language and non-verbal communication (Nicholson & Stepina 1998). These aspects of culture affect social interaction both directly and indirectly (Argyle 1978). Nicholson and Stepina (1998) claim that individuals who share the same cultural values are likely to develop similar attitudes. In contrast, people who have differences in values will think, act, perceive, and understand things differently (Rokeach 1973). Landis and Brislin (1983) also suggest that cultural differences may cause differences in interaction behaviours and misunderstanding in the interpretation of these behaviours, and this may create conflict.

A culture is the way of life of a group of people; it consists of the behaviours, beliefs, values, and symbols that they accept and that are passed along by communication and imitation from one generation to the next (Harris & Moran 1979; Herbig & Dunphy 1998). However, the definition which is most widely cited by researchers is the definition by Hofstede which defines national culture as ‘the collective programming of the mind that distinguishes the members of one group or category of people from others’ (Hofstede & Hofstede 2005, p.4). Every country has a range of institutions: religious, governmental, legal, educational and familial (Hofstede & Hofstede 2005). The primary source of one’s culture is the social environment to which one belongs. Those who belong to the same social environment therefore share the same collective mental software (Hofstede & Hofstede 2005).

These definitions are useful in referring to patterns of human behaviour and the values that determine people’s actions. The concept and definitions of culture described above are used in this study to analyse the influence of national culture on the development of relationship marketing with customers and stakeholders in Thai hotels.

5.3. Cultural differences between Eastern and Western societies

The focus of this study is mostly on the United States, the UK, Western Europe, Canada, Australia and New Zealand as representative of Western culture and South East Asian countries, such as Thailand as representative of Eastern culture.

There are many differences in cultural values between Eastern and Western societies. According to Reisinger and Turner (2003), there are at least 11 sets of cultural dimensions which have been proposed by previous researchers that provide ways of understanding how people's behaviour and communication differ across cultures (Parsons 1951; Kluckhohn & Strodtbeck 1961; Hall 1973, 1983; Argyle 1986; Hall & Hall 1987; Adler 1991; Schein 1992; Hampden-Turner & Trompenaars 1993; Maznevski 1994; Trompenaars 1997; Hofstede & Hofstede 2005).

Firstly, several of the differences in cultural values which exist between Eastern and Western societies stem from differences in religious philosophies. Smart (1999) describes Eastern values in terms of major Eastern religions such as Buddhism while Western values are mainly derived from Christian religious philosophy. Religious philosophies may influence people's way of life, thinking and behaviour (Meyer & Geary 1993) to a large extent. Buddhism, for example, emphasises common coexistence as opposed to the more individualistic approach espoused by Christian doctrine.

Comparisons between individualism and collectivism are also a useful way of viewing differences between Eastern and Western societies. Hofstede's study (1980) identified four value dimensions, which he labelled *individualism/collectivism*, *uncertainty avoidance*, *power distance*, and *masculinity/femininity*. These are perceived to be key dimensions for understanding cross-cultural differences in attitudes, values, norms and behaviour. Hofstede provided 'strong evidence that management theory and practice are culturally dependent and demonstrated that differences in national and regional cultures show up in work values' (Nicholson & Stepina 1998, p.35). His framework has been widely accepted and cited in cross-cultural management literature.

Individualism is defined by an emphasis on the self as separate from others; this belief characterises Western cultures (Hofstede 1980). According to Hofstede (1980), a member of

an individualist culture primarily perceives themselves as an individual rather than as a member of a group. They maximise efforts to achieve personal benefits and improve their personal status. Social relations are competitive and self-image is important. People relate to each other informally. Lucas (2004) reveals that Australia, Canada, Britain, New Zealand and the US display typical 'Anglo' characteristics – a belief in equality, the acceptance of uncertainty, and an emphasis on personal initiative and achievement.

Collectivism is defined by an emphasis on the self which often overlaps with a group; this characterises Eastern cultures such as Thailand (Hofstede 1980). Collectivistic cultures emphasise the goals, needs and views of the in-group. Individuals perceive themselves as belonging to a group and they feel loyal to the group. They share in-group beliefs rather than individual beliefs. Hofstede (1980) also identifies the avoidance of direct confrontation with others as a collectivist value. People from Eastern societies are more likely to avoid activities that could create conflict with their exchange partner, such as the expression of negative emotions and the criticism of others (DeMente 1991; Komin 1991). For instance, Thai people often try to 'save face,' avoid embarrassment, and maintain harmony in their interpersonal relations (Komin 1991). In conflict terms, collectivist cultures can be described as win-win while individualistic cultures can be described as win-lose (Swierczek 1994), because conflict does not occur overtly if the stability of social relationships continues and harmony and 'face' are maintained. While collectivist cultures tend to avoid confrontation or any kind of conflict, people in individualist cultures tend to regard avoiding conflict as symbolising a lack of interest or courage (Born et al. 1992). There is also evidence that 'Eastern cultures employ linearity in interpersonal relations which are characterised by hierarchy of society, obedience and loyalty to authority, feelings of duty, responsibility, submission to the group and elders, desire to comply, and respectful conduct' (Reisinger & Turner 2003, p.96).

In the comparison between masculinity and femininity, the dimension refers to the extent to which a culture values masculine behaviours such as assertiveness, the acquisition of money and material possessions, and lack of care for others and their quality of life (Hofstede 1980). In *highly masculine cultures* (countries such as Japan, Australia, Great Britain, Germany) societies are predominantly money- and possessions-oriented. The emphasis is on performance, growth, ambition, independence, living to work, successful achievement, excellence, dominance, and assertiveness (Reisinger & Turner 2003). In *highly feminine cultures* (countries such as Sweden, Norway, Denmark, Thailand), societies are people-

oriented. The emphasis is on quality of life, the welfare of others, and sympathy for the unsuccessful (Reisinger & Turner 2003).

Uncertainty avoidance, according to Hofstede (1980), refers to the extent to which people feel threatened by ambiguous situations, and have created beliefs and institutions that try to avoid these. Americans are rated moderately low in uncertainty avoidance, whereas Thais are moderately high. Finally, Hofstede also defines *power distance* as the extent to which individuals in a society accept inequality in power and consider it to be the norm. According to Hofstede, countries with a greater power distance such as Thailand are more likely to accept inequality in power and authority than those from a country with a smaller power distance such as the USA.

Hofstede's study of four value dimensions is perceived to be crucial in understanding cross-cultural differences in attitudes, values, norms and behaviour. However, Hofstede collected his data in the late 1960s and early 1970s and given that the world is a very different place from how it was forty years ago, Hofstede's data is quite out-of-date (Nicholson & Stepina 1998). Furthermore, Hofstede's methodology has attracted considerable criticism due to the fact that the data was only collected from a single industry and a single multinational corporation. The data was not representative of members of other cultures, and there was a pronounced Western bias because of the methodology used in collecting the data (Robinson 1983; Korman 1985). Researchers such as Dorfman & Howell (1988) extended their work to address these criticisms.

There have been other empirical studies which address cultural differences in interpersonal interactions between Eastern and Western societies and that are related to the development of relationships. Reisinger and Turner's (2003, p.97) study of cross-cultural behaviour in tourism revealed that 'harmony in interpersonal relations appears to be an extremely important value in Eastern cultures.' Cultural differences were also found in network patterns. Asians generally develop closer networks than those of Western people. Personal face-to-face contact is a vital aspect of all relationships in China, for example (Gilbert & Tsao 2000). Patterson and Smith (2003, p.109) comment that 'national culture is important in dealing with service quality and satisfaction because of the manner in which people from high context, collectivist societies such as Thailand, China, Indonesia, or Korea, for example, establish and maintain relationships'. Usunier (1996) mentions service loyalty, as loyalty is a key concept in

collectivist cultures, and spreads from people to product. Furthermore, collectivist cultural norms force people to maintain good relationships, unless the relationship turns out to be very unsatisfactory (Money 2004). In high-contact services such as hotels, good employee-customer interactions are the key to successful relationship building (Chase & Tansik 1983), and a better understanding of how to adapt service delivery behaviour to the values of major cultural groups would be highly beneficial to service managers.

Thus, through a comparison with Western societies, this study endeavours to represent distinctive Thai cultural values by focusing on the dominant Thai religion – Buddhism – and the traditional values of Thai people. Traditionally, ‘Buddhists were described as people, who do nothing to hurt others, respect life, morality, control one’s own feelings and thoughts, and practise proper conversation’ (Reisinger & Turner 2003, p.87). These characteristics can be utilised to create an excellent level of service quality in hotels. The following sections are thus intended to provide insights into the aspects of national culture that shape the thinking, communication, behaviour, and values of Thai people and aims to demonstrate how Thai society ‘manages’ relationships

5.4. Thai culture

Thai cultural beliefs significantly affect relationship building in the hospitality workplace (Meyer & Geary 1993). Therefore, understanding Thai culture may provide assistance in managing the hotel industry in Thailand. A clear understanding of Thai culture requires a thorough understanding of the role of religion and the role of the family, both of which are significant influences in the mentality and lifestyle of the Thai people.

5.4.1. The role of the Buddhist religion

The culture of Thailand may be summarised in one word - religion (Gray et al. 2008). As mentioned in Section 2.3.1, about 95 percent of Thais practice Buddhism. Buddhism is the greatest religious influence in Thai society, and its values are encompassed in every part of a Thai’s daily activities, both personal and professional (Komin 1991; Meyer & Geary 1993; Wongtes 1999; Hendon 2001; Renard 2006).

In the Thai Buddhist system, 'merit making' is the notion of doing good in order to help redress the balance of one's own, possibly bad *karma* (Komin 1991; Caffrey 1992). Thais believe that *karma* can determine the likely status that a person will achieve in a future life and merit making can ameliorate the effects of bad *karma* (Wongtes 1999). The concept of *karma* is 'do good, receive well; do evil, receive evil' ('*tam dee, dai dee; tam cua, dai cua*'). As regards the fate of humans, this means that merit (*bhun*) or demerit (*baab*) is accumulated by individuals according to the merit earned in this and previous lives (Piker 1993). In reality, the concept of *karma* has been used in after-event descriptions or attributions, with a differentiation between 'good *karma*' (*bhun wassana*) and 'bad *karma*' (*kam*). In practice, Thais believe that if they do something good to other people, good things will come to them in return, whereas if they do something bad, bad things will return to them as *kam*.

Buddhist teachings are at the root of the typical Thai's consideration for others and are embodied in important 'heart values'; these are difficult to explain because there are no close English equivalents. As a general manager, Anthony Lark, commented in Glanzberg's article (1993, p.57), 'the Thai people have a natural ability to be sincerely hospitable, based on their religion and upbringing'.

The important 'heart values'

Buddhist teaching forms the basis for Thais' genuine care and concern for others and desire to give selflessly, without expecting anything back - an idea known as *nam-jai* or 'water that flows from the heart.' This refers to genuine, unconditional generosity and hospitality that comes straight from the heart, without expecting anything in return (Komin 1991; Niratpattanasai 2001; Knutson 2006; Shippen 2006). It is a concept which encompasses spontaneous warmth and compassion and which encourages people to sacrifice themselves for their family and friends and to extend hospitality to strangers (Komin 1991). Indeed, it has been overtly observed by foreigners that Thai interactions are usually smooth, pleasant and often accompanied by genuine kindness and an interest in the well-being of others. *Nam-jai* is one of the key values by which Thai people judge each other (Pornpitakpan 2000). Anyone perceived as *mai mee nam jai* (lacking *nam-jai*), may find themselves in difficulty because people will not cooperate with him/her. Normally *nam-jai* can become *bunn khun* (reciprocating a debt of kindness). When a Thai is bonded to *bunn khun*, they must repay their debt in the future (Komin 1990; Pornpitakpan 2000).

The second heart value which is of great importance in Thai society has no English equivalent and is referred to as *kreng-jai*. Thais believe that social harmony is best maintained by avoiding any unnecessary friction in their contacts with others. The strong Thai feeling of *kreng-jai* stems from this concept; it means an extreme reluctance to impose on anyone or disturb his personal equilibrium by direct criticism, challenge, or confrontation (Meyer & Geary 1993; Pornpitakpan 2000). *Kreng-jai*, according to Komin (1991), also denotes consideration and respect for another person's ego and feelings. Niratpattanasai (2000) defines *kreng-jai* as a form of respect and consideration for others. In general, Thais will do their utmost to avoid personal conflict. Apparent expressions of anger are regarded as harmful to social harmony and as being obvious signs of ignorance, crudity, and immaturity. This contrasts with the Western philosophy which welcomes debate and criticism as a means of improving a situation (Meyer & Geary 1993). *Kreng-jai* is a very important value in the maintenance of harmonious social relationships (Niratpattanasai 2000; Pornpitakpan 2000; Mulder 2002; Gray et al. 2008). It accounts for the high degree of politeness and civility among Thai people (Pornpitakpan 2000).

A third heart value is that of maintaining a 'cool heart' (*jai-yen*) as opposed to a 'hot heart' (*jai-ron*). A person who is *jai-yen* is patient, forgiving, easy-going, and can stay calm and collected even in the face of provocation or distress (Gesteland 1999; Kamoche 2000). This value is activated when one faces problems or conflicts (Komin 1991). Buddhism's major tenet is that all life is suffering and people should be calm and tolerant with every situation. When something unfortunate happens, there is a feeling that one must gracefully submit to external forces beyond one's control, such as the effects of past *karma*. In a culture that places great importance on social harmony, relationships and feelings, cultivating *jai-yen* is highly valued. Komin (1990, p.148) observes the importance of *Jai-yen*:

'(*Jai-yen*)... is the core cognition behind the behavioural pattern of the everyday life social interactions of the Thai. And it is this value of smooth and pleasant interpersonal interaction that gives Thai people the image of being very 'friendly' people, and Thailand, the 'land of smiles.'

The common feature among these key 'heart values' is the emphasis on harmonious social relations and consideration for others (Kamoche 2000), which has significant implications for the development and maintenance of long-term relationships.

5.4.2. The role of the family

The family is the cornerstone of Thai society, and Thai family life is often more closely knit than in Western cultures (Wongtes 1999). The Thai family consists of a hierarchy in which children are taught to honour their parents and learn codes of behaviour that will guide them throughout their lives (Wongtes 1999). A strong sense of responsibility is also inculcated from early childhood (Wongtes 1999), and each child is typically assigned duties according to their age and ability. One of the primary responsibilities placed on children is that of taking care of their parents in their old age; this features prominently in the Thai concept of family (Burnard & Naiyapatana 2004). It is believed that the wisdom acquired by one's elders grants them an honoured place in the household, and their counsel should be actively sought in teaching their grandchildren and great-grandchildren to harbour the same traditional values (Burnard & Naiyapatana 2004).

Hierarchy typically applies not only to the relationship between parents and children but also to people outside the family and remains deeply ingrained throughout one's life. This may provide an explanation for the reluctance of younger Thais to confront their seniors in the workplace (Niratpattanasai 2000).

5.4.3. National characteristics

This section discusses certain Thai national characteristics which may assist managers in managing relationship marketing in the Thai hotel industry. These Thai characteristics should help foreigners to learn about the culturally learned patterns of social interactions which Thai people learn to use to survive and function effectively in Thai society.

In Thailand, children attend government schools where they are taught from a standard nationwide curriculum. They acquire varying degrees of literacy and study Buddhist ethics (Meyer & Geary 1993; Peleggi 1996; Gray et al. 2008). Besides Thai language, 'they are taught Thai history, Thai manners, Thai etiquette, and quite a bit more about being Thai' (Renard 2006, p.297) or 'Thainess'. 'Thainess' refers to the elements of traditional Thai culture which includes the Thai lifestyle and Thai hospitality (Peleggi 1996; Ganesan 2006; Renard 2006).

Many analyses (Deyo 1975; Niratpattanasai 2001; Burnard & Naiyapatana 2004; Shippen 2006) use Buddhist influences to explain why the Thai people appear to be so gentle, ever-smiling, non-aggressive, and affable with a high tolerance for uncertainty. Deyo (1975, p.101), for example, claims that 'it is clear that several important elements of the Thai Theravada Buddhist tradition would be 'supportive' of such characteristics of Thai behaviour and personality.' Here are various quotes which were drawn from the interview transcripts of Thais in the findings of Burnard and Naiyapatana's study (2004, p.758).

- 'Characteristics of Thai people are: smiling, friendly, simple, sincere...culture...religious'
- 'Being Thai means being proud, polite, patient, willing to help. Related to Buddha. This culture also involves language, food, ways people act.'
- 'Thais, living in Thailand, always think of themselves as being Thai Buddhists. The monarchy and the king are important.'
- 'Nationality, culture, modesty, showing respect to the elderly.'
- 'Thai people look after their elderly relatives.'

Burnard and Naiyapatana (2004) also conclude from their study that Thai interpersonal communication, in general, can be characterised as follows: face to face, Thai people will talk quietly and use limited eye contact. This is particularly true across the sexes, or between two people who are not of equal status; both parties will seek to maintain *kreng-jai* to make sure that the other feels comfortable and that neither party is compromised. Turn-taking between two people is likely to be less marked than may be the case in many Western cultures. The values of these Thai characteristics are supported by the research of Reisinger and Turner (2003). In their analysis which aims to identify cultural differences between Asian tourists and Australian hosts (2003, p.299), Reisinger and Turner comment that 'in the Thai sample, two characteristic dimensions were identified: perceptions of communication courtesy and perceptions of understanding. The Thai people are very attentive and try to please everyone. The Thais say whatever is required in order to conform to norms of respect and politeness, and avoid unpleasantness and conflict.'

Based on the analysis of many researches, the Thai social system is first and foremost a hierarchically structured society where individualism and interpersonal relationships are of the utmost importance (Komin 1990; Hendon 2001; Shippen 2006; Smalley 2006; Gray et al. 2008). This plays a significant role in the development and management of relationships in the hotel industry. Thai characteristics are thus reflected in the following seven value clusters

which are placed on a continuum of psychological importance. These value clusters help to describe the Thai national character in a more meaningful way, as listed below (based on Komin 1990, 1991).

1. Ego orientation
2. Grateful relationship orientation
3. Smooth interpersonal relationship orientation
4. Flexibility and adjustment orientation
5. Religion-physical orientation
6. Fun-pleasure orientation
7. Achievement-task orientation

These value clusters are explored in greater depth below.

5.4.3.1. Ego orientation

This value cluster explains the highly sensitive ‘ego’ and ‘face’ value shared by the Thai people. Thais are first and foremost ego-orientated; they are characterised by the highest ego value of independence, pride and dignity, being oneself (*pen tua khong tua eng*), and they place a high value on preserving one’s self-esteem (Komin 1991). They cannot tolerate any violation of the ego self (Gesteland 1999). Despite their calm front, they can be easily provoked to strong emotional reactions if they or their father or mother is insulted (Komin 1991). On the news recently, for example, (Manager Online 2006) a lecturer in a famous public university in Thailand shot his neighbour after his neighbour deliberately urinated in front of his house several times. He was subsequently sentenced to jail for 18 years. A concern with saving face, dignity, and ego orientation are the fundamental values which underlie Thai culture and the cause of characteristics such as the avoidance of criticism, the *kreng-jai* attitude and the strong sense of hierarchy that was mentioned earlier. The notion of saving face and preserving one’s ego forms the basis of all social interactions in Thailand (Komin 1991; Holmes & Tangtongtavy 1995; Gesteland 1999; Niratpattanasai 2000). To cause a person to ‘lose face’, regardless of the situation or the status of the other person, is to be avoided at all costs (Holmes & Tangtongtavy 1995). As a result, Thais are more likely to engage in actions that ensure a smooth interpersonal relationship, which is achieved by using a pleasant tone and expressing indirect verbal messages (Holmes & Tangtongtavy 1995).

Thais typically also attempt to soften negative messages (Komin 1990) and refrain from correcting others in public in order to avoid humiliating others, as this could create tension and destroy the harmony within the group (Welty 2005). DeMente (1991) reports in his findings that in Thailand, causing someone else embarrassment is regarded as highly inappropriate behaviour. The concept of saving face and avoiding conflict appears to be in contrast to the Western emphasis on truthfulness or forthrightness (Dodd 1998).

1. Hierarchy

Thais have a strong sense of hierarchy in business and family matters (Wongtes 1999; Pornpitakpan 2000; Hendon 2001; Shippen 2006; Smalley 2006). This is due to the important role played by family in Thai culture which was discussed above (Section 5.4.2). Younger individuals must pay respect to senior individuals, while the latter must be generous to the former in return. For example, when passing in front of a more senior person, it is common for Thais to bow to show respect - the greater the difference in seniority, the lower the bow. In Thai society, a person's power normally stems from their title, rank and status within the organisation or in society (Komin 1991). *Pee*, according to Niratpattanasai (2000), is a Thai word which means 'elder brother or sister', while *nong* means 'younger brother or sister'. The *pee-nong* system is also used beyond the family and is widely used in the workplace. In most organisations, the supervisor is older than their subordinates. When one becomes *pee*, he/she can control another person who then becomes *nong* (Niratpattanasai 2000). Thai relationships, according to Hofstede and Hofstede (2005), are characterised by a distance in power where there is a considerable level of subordination to bosses. 'The power-oriented culture in Thailand usually tends to create respect for the leader as the 'father' figure of the organisation' (Thanasankit & Corbitt 2000, p.7). Thais perceive the role of leader as a controller rather than a colleague. This may be referred to as the 'superior-inferior' concept which is dominant in Thailand (Thanasankit & Corbitt 2000, p.7). Without the direction and guidance of a superior, the level of effectiveness may be reduced within the organisation. Decision-making revolves around the hierarchical centralised nature of authority and the dependence of the subordinate upon the superior. Top officials also do not usually expect challenging ideas and initiatives from their subordinates (Niratpattanasai 2000).

2. 'Hai-Kiat'

'*Hai-kiat*' is the Thai word for giving respect, honour and sometimes 'giving face' to another person (Komin 1991; Niratpattanasai 2000). *Hai-kiat* can help to build good business

relationships but may also damage relationships if one *mai hai-kiat* (fails to respect) their exchange partners. Some Westerners may not understand this concept and act *mai hai-kiat* to Thais without any intention of causing offence. For example, using one's feet to point to something, or using one's feet to open a door may indicate '*mai hai-kiat*'. Another example of *mai hai-kiat* is when a manager directly criticises a colleague in public. This explains why Thais generally prefer to avoid arguing back if their boss complains of poor performance. Arguing with a superior would be perceived as not respect and would be considered *mai hai-kiat*. When working with Thais, an understanding of the importance of respect and the concept of '*hai-kiat*' is essential (Niratpattanasai 2000).

5.4.3.2. Grateful relationship orientation

This refers to the belief in the reciprocity of gratitude, and the emphasis on long-term relationships and compassion. In general, most Thai interactions appear to be honest and sincere (Komin 1991; Klausner 1993). Thais also hope for sincere and deep mutual relationships (Komin 1991). The most desirable type of relationship is the psychologically invested *bunkhun* relationship which is mentioned in Section 5.6.1. It describes a psychological bond between two parties where, out of sheer kindness and sincerity, one person gives another person help. Bearing this in mind, the second person is ever-ready to reciprocate this kindness (Komin 1991; Niratpattanasai 2001). Such reciprocity of kindness and gratitude (*katanyu*) is a highly valued characteristic trait in Thai society (Komin 1991). Although the person who gives help, kindness, and favours usually does so without expectation of receiving anything in return, the subject of those favours must be grateful and *bunkhun* must be returned in a variety of ways (Komin 1991). Klausner (1993, p.275) notes, 'to be *katanyu*, or constantly aware and conscious of the benefit or favour another person has bestowed, is a highly valued character trait in Thai society. On the contrary, one of the most reprehensible sins in the Thai social context is to be *akatanyu*, or ungrateful'. Therefore, being grateful, or *bunkhun* constitutes the root of any deep, meaningful relationship in Thailand (Komin 1991).

1. Friendship

Within this context of sincere and meaningful social relationships, Thais have very definite views of what constitutes friendship and enjoyment (Komin 1991). If an individual is not a member of a group or society, however, it may take some time before the existing members of

that group trust and agree to engage with that person (Doney et al. 1998; Patterson & Smith 2003). Once trust has been established, though, it is likely to lead to a strong and long-lasting relationship (Batonda & Perry 2003). Friendship among Thais is extremely intense; the Thai language is rich in expressions which reflect the degree of involvement and willing self-sacrifice (Niratpattanasai 2001) in relationships. Such friendships are particularly found among men (Niratpattanasai 2001). A *phuan tai* (literally, 'death friend') is a companion for whom it would be an honour to die. When a friend becomes involved in difficulties, his *phuan tai* is obliged to help because according to the Thai adage, *tong chuai phuan* – 'one must help one's friends.' This is a point of honour and explains many circumstances that often confuse foreigners. Indeed, Thais go to great lengths to maintain relationships by making sure that they do not offend others by their actions or words (Patterson & Smith 2001). Thus, 'a deep and long-term relationship results from a process of gradual reciprocal rendering and returning of goodness and favours, through successful experiences of smooth interpersonal interactions' (Komin 1991, p.139).

5.4.3.3. Smooth interpersonal relationship orientation

This refers to the preference for non-aggressive, friendly, 'harmonious relations' which characterises social interactions in Thailand. Thailand has been classified by Hofstede (1980, 1991) Triandis (1995) and others as a typical collectivist society which is typified by values such as caring and consideration, self-control, politeness, friendliness, courtesy, and hospitality. (Komin 1991; Gray et al. 2008). In other words, Thai social interactions are typically smooth, kind, pleasant, and free of conflict.

1. Caring and consideration

The importance of children caring for their parents provides some explanation for the importance placed on caring and consideration in Thai culture. This can also be linked to other Thai characteristics such as politeness, friendliness, courtesy, and hospitality, although caring and consideration is the key reason for the superficially smooth and pleasant nature of interpersonal interactions (Glanzberg 1993; Meyer & Geary 1993). This value, according to Komin (1991), is a key Thai cultural value, and an important means of maintaining or preserving one another's feelings and ego. It is probably closest in meaning to the concept of *kreng-jai* that was discussed earlier. While *kreng-jai* is a fundamental concept, *nam jai* (care and consideration) places more emphasis on social interaction (Komin 1991). In Thai society,

one must be careful not to hurt the feelings of others by refraining from criticism or the rejection of another person's kindness or good intentions, even though it may be contrary to one's own feelings. As well as showing positive gestures of kindness and concern, ensuring smooth social interactions also requires a certain degree of self-control, tolerance and humility (Komin 1991; Niratpattanasai 2000).

2. Courtesy and politeness

Thais place great emphasis and value on outward forms of courtesy such as politeness, respect, a genial demeanour and self-control in order to maintain harmonious relations (Meyer & Geary 1993). The soft-spoken politeness of Thais can contribute to a greater understanding of interpersonal sensitivity throughout the world (Knutson 2006). This polite and humble approach is very important for Thais, since it soothes the ego of others (Komin 1991). Thais often feel uncomfortable with the Western approach of straightforwardness and standing-up for one's beliefs; Thais often interpret such an attitude as careless and inconsiderate (Komin 1991). For example, complaining to one's colleagues during a meeting is the norm in many Western corporations, but Thais will normally refrain from such behaviour due to concern that their colleagues would feel embarrassed. The forthright Western attitude is often not compatible with the organisational culture in Thai companies (Niratpattanasai 2000).

3. Hospitality and friendliness

Hospitality and friendliness are common Thai characteristics. There is an old saying that 'anyone reaching the house must be made welcome' (Wongtes 1999), and Thais do indeed welcome their visitors very warmly (Wongtes 1999). The phrase that is most often heard in Thailand is *mai pen rai*, meaning 'never mind', and most Thais are *arom dii* ('always smiling') (Knutson 2006). Another indication of the importance of hospitality is the *wai* which is both a sign of respect and a form of greeting in which the hands are held and the head comes down to meet the thumbs of both hands.

4. The 'mai pen rai' attitude

Mai pen rai literally means 'it does not matter' or 'never mind' and reflects a positive attitude towards life (Meyer & Geary 1993; Niratpattanasai 2000). It is a very commonly used phrase in Thailand (Wongtes 1999) and is usually uttered when something unfortunate happens, such as when one bumps into another person on the street, misses a flight, or fails to get a promotion. It is argued that this phrase has distinct religious overtones, and reflects the belief

that everything is determined by Buddha. Many Thai people are taught to adopt this value from childhood (Wongtes 1999). This attitude is closely linked to other Thai characteristics such as the avoidance of negatives in conversation, or the emphasis placed on self-control and tolerance.

4.1. Avoidance of negatives

Thais' dislike of conflict or interference means that Thais usually avoid asking direct questions or having confrontations (Komin 1991; Wongtes 1999). This behaviour may stem from consideration for others, fear of danger, or fear of embarrassment. As part of the *kreng-jai* attitude, Thai people are brought up in a society that makes it very hard to say 'no,' and will often make implausible excuses or agree simply to avoid openly disagreeing (Meyer & Geary 1993; Hendon 2001). Openly disagreeing or saying 'no' is considered rude and damaging to social harmony (Elashmawi 1991; Wongtes 1999). Furthermore, Thai people are generally willing to compromise (Wongtes 1999). They seem to be unhappy if they have to enter into situations that entail direct competition and confrontation (Hendon 2001). Similarly, Thais often find it difficult to accept direct negative answers from people with whom they communicate.

4.2. Self-control and tolerance

'Thais are a pleasant and tolerant people. European travellers in the 19th century described Thais as respectful, mild-mannered, hospitable, and fun-loving' (Hendon 2001, p.47). Niratpattanasai (1997) noted in his article that most of his foreign colleagues do not understand why Thais are seemingly so patient. This may be due to Thailand's collectivist culture (Hofsted 2005) which shuns confrontation or any kind of conflict (Meyer & Geary 1993) as reflected in the '*mai pen rai* attitude' discussed above. Thais strive to be patient and tolerant no matter what happens in their life. They are able to adapt to frustrating environments (Niratpattanasai 1997) and attempt to find something of value in even the most difficult situations (Knutson 2006). Thais are an exceptionally warm and understanding people (Knutson 2006) and find it easy to forget and forgive grievances (Niratpattanasai 1999).

5.4.3.4. Flexibility and adjustment orientation

This concept refers to the importance of flexibility and adaptability to situations, people and group values in Thailand. Hofstede (1994) explores the importance of carefully considering the cultures within which people work and argues that people in different countries approach work in different ways. Thai people are typically flexible and situation-oriented (Komin 1991) with 'the ability to adjust oneself to changing situations, as water can keep its level' (Wongtes 1999, p.121). A word that reflects an important part of the Thai character is *sanuk* (or 'fun'). Thais are a fun-loving people, as is shown by their ready laughter (Knutson 2006). The people they like are those who make them laugh and feel happy (Landon 1939). The modern Thai's view of life is that life should be fun, and people should enjoy it to its fullest (Meyer & Geary 1993; Hendon 2001; Knutson 2006). In other words, Thais are *sabai-sabai* (easy-going) who can tolerate any situation they face in life (Meyer & Geary 1993).

However, this flexible value orientation is also correlated with a laxness in principle, which is reflected in behavioural patterns like decision-shifting and corruption (Komin 1990). Decision-shifting, such as vote-switching or position-switching, is quite common in Thai society. Personal conflict based on the self, the in-group, and the situation are usually the main motivation for such decision-shifting (Komin 1990). Furthermore, a common complaint from managers is that lack of diligence and low commitment to work has created a *sabai-sabai* mentality (Kamoche 2000) among Thais.

5.4.3.5. Religion-physical orientation

This explains the general belief in spiritual things which encompasses merit (*bhun*) and demerit (*baab*). As mentioned earlier, Theravada Buddhism plays an important role in Thai life. According to a study by Komin (1990), great value is placed on religious and spiritual life in the cognition of Thai people in general. With regards to religious activities, Thais are constantly engaged in merit-making on occasions such as one's birthday, moving into a new house, or starting work at a new company. As a Buddhist country, such activities are performed all year round, both at work and in the community. The concepts of good and bad *karma* as well as the practice of the key 'heart values' (*nam-jai*, *kreng-jai*, and *yai-yen*) are very influential in Thai thinking.

5.4.3.6. Fun-pleasure orientation

This concept explains the emphasis on humour and fun in social interactions, and Thailand's common description as 'the land of smiles'. This stereotype is associated with the view that Thais are easy-going and carefree (Komin 1991) and are not willing to do anything that is not *sanuk* (fun). This implies a lack of ability to take things seriously (Wongtes 1999). However, Thais are also hard-working (Hendon 2001) and their fun-loving, smiling demeanour is more the result of an effort to ensure smooth interpersonal interactions (Burnard & Naiyapatana 2004). Most Thai social interactions are therefore pleasant and humorous in nature. Foreigners may feel uneasy with such demonstrations of familiarity, but for Thais, this is just a friendly gesture (Komin 1991).

1. Thai smiles

Thais use their smile as a communication device to convey both positive and negative messages (Meyer & Geary 1993; Hendon 2001). Most visitors to Thailand will see a sign welcoming them to the 'land of smiles' before they have even cleared immigration. Thais frequently smile at strangers (Niratpattanasai 2000), and it would appear that smiling is a typical Thai characteristic (Gesteland 1999; Meyer & Geary 1993). Research has found that employees who deliver service with a smile improve a customer's service experience (e.g. Rafaeli & Sutton 1989; Tsai & Huang 2002). In the hotel, 'employees who smile at customers may be contagious, in that they change the affective state of customers and thus influence customers' perceptions and evaluations' (Henning-Thurau & Hansen 2006, p.58). There is a much broader range of uses for smiling in Thailand, however, some of which would be considered inappropriate or even rude in the West. For example, if a Thai were to bump into someone in a bar and spill their drink, he/she would probably smile - a reaction that is unlikely to go down well with the average foreigner. But a smile (*yim* in Thai) is perceived in Thailand as the most appropriate reaction to any situation (Gesteland 1999; Niratpattanasai 2000). It is used to show happiness, embarrassment, fear, tension, resignation and remorse (Hendon 2001). However, the precise meaning of a smile depends on its 'type' as shown below.

- *Yim tak tai* – a polite smile, used for strangers
- *Yim kop kun* – a smile used to thank somebody
- *Yim cheun chom* – a smile used when you are impressed or admire someone

- *Feun yim* – a ‘I am being forced to smile even though I do not want to’ smile
- *Yim yair-yair* – a smile used to remove tension from potentially awkward or embarrassing situations
- *Yim haring* – literally, a ‘dry smile’ which is nervous and apologetic
- *Yim soo* – a ‘my situation is so bad I might as well smile’ smile.

A smile is used in many different ways to express various emotions. When it is used to thank somebody (*yim kop kun*) or as an excuse for an unintended inconvenience (*yim yair-yair* or *yim haring*), one should react by smiling back, which indicates that they are willing to forgive the inconvenience (Hendon 2001).

Because of their gentle demeanour and smiling countenance, Thais are generally well-liked by other Asian nationalities, as Hendon (2001) reported. Primary data was gathered in seminars given by the author to 2,648 business executives in seven Asian nations (Hong Kong, Indonesia, Malaysia, Philippines, Singapore, Taiwan and Thailand) between 1979 and 1998. Respondents were asked how much they liked, trusted, and respected/admired 15 ethnic groups. Thais were liked the most, and they were the fifth most trusted and seventh most respected ethnic group.

5.4.3.7. Achievement-task orientation

This concept explains the phenomenon whereby achievement is often viewed as less important than maintaining good relationships. With regard to this achievement-value orientation, many writers, both foreign and Thai, have described Thais as lacking the motivation to work for economic and material gain. It has also been written that they abhor hard work and value only what is *sanuk* and fun. In contrast, Hendon (2001) claims that Thais are hard workers who work long hours in order to earn as much money as possible and thereby improve their status. This is supported by Komin (1991, p.200) who agrees that ‘Thais are material oriented. They do struggle and work hard, even in disadvantaged, adversary and ‘no fun’ environments’.

5.5. Thai culture and its influence on relationship marketing

This section discusses the way in which Thai culture influences the development of long-term relationships with customers, employees, suppliers, shareholders, and the community with regard to factors such as the social foundations of business relationships and Thai national characteristics and personality traits.

5.5.1. Service quality and Thai personality traits

Knutson (2006, p. 2) comments about Thailand:

‘More than any other attraction, the Thai people make their country the most civil and sweetest place in the world. The ‘Land of Smiles’ is not just a tourist slogan; it’s real. Thais are *nice* people. Other countries of the world may excel in economic power, military strength, and technological ability, but Thailand surely leads the world psychologically. The gentleness and genuine charm of the Thai people serve as a model for the enjoyment of diversity and the acceptance of differences.’

A customer’s interactions with hotel staff often form the basis of their perceptions of the hotel (Wai et al. 1989); it is their initial encounter, in particular, which determines whether a long-term relationship can be established (Botschen 2000). While a mechanistic system of service delivery may be highly efficient, the lack of a strong interpersonal dimension is likely to result in low customer satisfaction. As Crompton & MacKay (1989) indicate, positive social interaction between a customer and hotel may compensate for low quality of service and thus result in high customer satisfaction. Ensuring that the interpersonal element of service delivery is of a high quality is therefore essential in the achievement of customer satisfaction (Reisinger & Turner 2003) and will arguably contribute to the quality of the customer’s overall holiday experience (Reisinger & Turner 2003).

Thai national characteristics and personality traits can have a direct impact on social interactions in service environments in a number of ways. Based on the previous discussion of the seven value clusters, there are several social values which are held by Thai people that influence the nature of social interactions and the evaluation of service encounters. These values are:

- Smooth interpersonal relationship orientation
- Caring and consideration
- Courtesy and politeness
- Hospitality and friendliness
- The '*mai pen rai*' attitude
- Avoidance of negatives
- Self-control and tolerance
- Flexibility and adjustment orientation
- Fun-pleasure orientation
- Thai smiles

Thai people have a very strong sense of graciousness and hospitality (Meyer & Geary 1993; Panmunin 1993; Peleggi 1996; Esichaikul & Baum 1998; Ganesan 2006; Renard 2006) and are characterised by a strong sense of courtesy, politeness, friendliness, caring and consideration, all of which play an important role in the provision of a service (Knutson 1988b; Powers 1995; Winsted 1997). Courtesy forms an essential component of social interactions and the evaluation of service encounters (Winsted 1997). It has been cited to be the one of the most important criteria for the evaluation of personal service (Brown & Swartz 1989). Courtesy also forms part of the assurance dimension of SERVQUAL (Parasuraman et al. 1988, also see Section 3.6.3). Friendliness was found to be one of two major factors (along with competence) which influence customer satisfaction with bank tellers (Surprenant & Solomon 1987). Politeness 'achieves a recipient's desire to be appreciated and approved of by treating him or her as a person whose needs and personality traits are known and respected' (Shigemasu & Ikeda 2006, p.441). Caring forms part of the empathy dimension of SERVQUAL (Parasuraman et al. 1988) and has also been addressed by a number of other authors in the service encounter literature (e.g. Feather 1982; Surprenant & Solomon 1987; Brown & Swartz 1989; Goodwin & Frame 1989). Caring is described primarily as interest, attention and respect being shown by the service provider to the customer (Schneider 1980; Brown & Swartz 1989; Bitner et al. 1990; Bitran & Hoech 1990).

McCroskey and McCain (1974) provide methods of describing the ways in which people become attracted to one another. This technique adapts itself well to a preliminary examination of Thai people. They identify three dimensions of attraction: physical, task, and

social. Physical attraction relates specifically to physical appearance and is considered to be a catalyst for conversation. Thai beauty is legendary (Knutson 2006) and the smiling demeanour of Thai people means they have little problem in attracting others for conversation (Knutson 2006). However, McCroskey and McCain explain that physical attraction by itself is insufficient to maintain a relationship; social or task attraction is also necessary. The international indications of friendliness: the smile, the concept of '*mai pen rai*' ('it does not matter') and the '*sabai-sabai*' (easy-going) Thai attitude enable Thais to switch quickly to matters of social attraction. Spontaneous displays of fun-pleasure orientation, happiness and sensitivity are hallmarks of Thai society (Knutson 2006).

In the hotel industry, Thai employees will do their best to make their guests happy (Niratpattanasai 2000). According to Niratpattanasai (2000), some Thai hotels will even offer to take their V.I.P. guests to dinner, sightseeing or shopping. Hotel staff always go the extra mile in order to satisfy their guest (Niratpattanasai 2000). Furthermore, according to findings by TAT (2008), if foreigners are lost in the street, they can easily approach passers-by for directions. Despite the language barrier, Thais will usually strive to do everything they can to help foreigners in a warm and friendly manner (TAT 2008).

5.5.2. Thai culture and management in the hotel industry

Some authors (Christopher et al. 2002, Gummesson 2008) argue that the scope of relationship marketing should be expanded into business-to-stakeholder relationships that include employees, suppliers, shareholders, customers and the community. From this point of view, understanding Thai culture is very important for doing business in Thailand, especially in the context of managing a hotel where the general manager is not Thai. Cultural differences can cause problems in social interaction between people of different cultural backgrounds (Reisinger & Turner 2003). Therefore, an understanding of Thai characteristics such as the emphasis on a strong sense of hierarchy, Thai tolerance and willingness to compromise, *hai-kiat* and the Thai dislike of confrontation or conflict is vital; general managers need to establish strong relationships with their employees, suppliers, shareholders, customers and the community.

In addition, a solid understanding of the foreign target market is crucial to business success (Winsted 1997), particularly in the case of international chain hotels which manage hotels in

Thailand. Selmer (1996) found that although Swedish managers have made efforts to learn about and appreciate Thai culture, there are still areas in which misjudgements are likely to lead to inappropriate management practices. Japanese managers in one of the Japanese firms in Thailand were required to take Thai culture lessons (Kamoche 2000). Understanding Thai culture not only helps foreign managers to better understand their foreign target markets but can also enhance Thai managers' understanding of their own culture and how it influences their perceptions and expectations.

Within this section, an examination of how cultural issues affect working with foreign colleagues and the negotiation and management of relationships with suppliers, shareholders, competitors, and the community is also discussed. It is clear that in addition to the 'American way' or 'European way' of doing business, there is also a distinctively Thai way of handling business matters.

5.5.2.1. Relationships with employees

As discussed earlier in the exploration of the seven Thai value clusters, there are a number of cultural differences that can be either advantageous or disadvantageous to general managers running hotels in Thailand. These include:

- Ego Orientation
 - Hierarchy
 - '*Hai-kiat*'
- Smooth Interpersonal Relationship Orientation
 - Caring and consideration
 - Courtesy and politeness
 - Hospitality and friendliness
- The '*mai pen rai*' attitude
 - Avoidance of negatives
 - Self-control and tolerance
- Flexibility and Adjustment Orientation
 - Fun-Pleasure Orientation
 - Achievement-Task Orientation

Studies conducted by Runglertkengkrai and Engkaninan (1987) examined the effects of culture on leadership style among Thai managers. Their findings suggest that, to varying extents, the leadership styles of Thai managers are in accordance with traditional Thai values such as helpfulness, intimacy, warmth, and supportiveness. This corresponds to findings by Komin (1999, p.269) which suggests that Thai leaders are generally expected to be 'polite' and 'considerate' in order to meet the expectations of their employees who want to work for a '*jai dee*' (good heart) boss who cares about his or her employees and appreciates the importance of personal relations and social harmony in the workplace (Kamoche 2000).

Relationships between subordinates and superiors in Thailand are generally perceived in moral terms, and relationships in the workplace are based on mutual trust and understanding. Conflict is kept to a minimum and avoided where possible. Thais prefer to have stable social relationships in order to maintain surface harmony (Komin 1991); this can be extrapolated to the workplace, in which face saving and the avoidance of criticism plays an important role. Conflicts with superiors may be interpreted as exhibiting a lack of respect, and for the same reason, managers generally try not to criticise their subordinates.

The attractiveness of working with Thai colleagues stems from their innate hospitality, politeness and willingness to compromise (Niratpattanasai 2000). A foreign boss working in Thailand may find themselves being shown a greater level of respect and commanding a higher degree of obedience than they would expect in a more liberalised society. It is also important to note that enjoying life is the major goal of many Thais. Thais are attracted by jobs with an element of fun, and so Thais generally do not like jobs that are difficult, monotonous, or high-pressured (Hendon 2001). Achievement in the Western sense is not perceived in the same way in the Thai cultural context, and Western management theories which do not incorporate a cultural preference for a greater power distance with strong social relations are generally not applicable in Thailand (Komin 1991).

These Thai value clusters are of particular importance for the study of hotel-employee relationships and will therefore help foreigners in dealing with Thais, while simultaneously helping Thai managers to understand more about their own culture.

5.5.2.2. Relationships with stakeholders

As discussed earlier in the exploration of the seven Thai value clusters, there are a number of cultural differences that can be either advantageous or disadvantageous to general managers running hotels in Thailand. These include:

- Ego Orientation
 - Hierarchy
 - ‘*Hai-kiat*’
- Grateful Relationship Orientation
 - Friendship
- Smooth Interpersonal Relationship Orientation
- The ‘*mai pen rai*’ attitude
 - Avoidance of negatives
 - Self-control and tolerance
- Flexibility and Adjustment Orientation

Thai culture places greater emphasis on emotional issues and the development of relationships (Komin 1991; Sorod 1991; Thanasankit & Corbitt 2000). Holmes and Tangtongtavy (1996, p. 17) suggest that ‘Thais work hard to build and maintain relationships among a wide and complex network of people, and...Thais’ interactions are more or less controlled within the context of a strong hierarchical system.’ Research data by Komin (1991) showed that Thais rank hardworking achievement value much lower than social relationship values. For example, when asked to choose between ‘maintaining good relationships’ and being ‘seriously devoted to work’, 61% of the total national Thai sample perceived ‘maintaining good relationships’ as more important than ‘work’, with only 15% seeing the reverse as more important (Komin 1991, p.197). Being aware of the strong Thai emphasis on relationships is necessary in order to ensure good relationships with suppliers, shareholders, competitors, and community managers.

The ‘social network’ can play an important role in doing business in Thailand and can have important implications for developing an effective RM strategy (Palmer 2000). Thais are willing to discuss business opportunities with people who have been recommended by people they know (Niratpattanasai 1998). This is because trust and relationships with others form the

basis of Thai culture (Thanasankit & Corbitt 2000). Status, seniority, and personal connections govern social relationships in Thailand; foreigners working in Thailand must therefore try to establish social contacts. Depending on their importance and status, managers may do this 'by joining the social activities of the company, sending greeting cards or gifts, talking to them face-to-face rather than by telephone or memos and letters, inviting them to lunch or dinner, adapting manners and customs that fit the Thai culture, and so on' (Pornpitakpan 2000, p.63). Once trust is formed it is likely to lead to a strong and long lasting relationship (Batonda & Perry 2003).

Thais are situation-and flexibility-oriented. This implies that Thais are likely to prefer companies which are flexible in their terms, rules, and conditions. In addition, the concept of '*hai-kiat*' ('giving face') is important when doing business with Thais. General managers can apply this concept with anyone they deal with, in particular, industry intermediaries. It is important to note that respect for one's ego, dignity and psychological integrity underlies the smooth, pleasant, and polite interactions which characterise Thai culture - the core concern is to avoid hurting others.

Repaying favours (*bunn khun*) is a key element in Thai culture. Thais primarily judge themselves and others in Thai society based on the degree to which they show generosity (*nam-jai*). Thai society is a cycle of *bunn khun* and *nam-jai*. People do favours without expecting anything in return, and the recipients of these favours will voluntarily make themselves available to help the giver in return. Failure to reciprocate past favours at an appropriate time can lead to a lack of cooperation or even damage relationships in the future (Pornpitakpan 2000).

5.6. Conclusion

There is an extensive body of research literature which provides companies with guidance in the development of a marketing mix strategy in the hotel industry. However, less attention has been paid to the importance of Thai culture in developing and maintaining relationships with customers and other stakeholders in the context of the hotel industry. In this chapter, Thai culture and the seven value clusters were discussed. The aim of this chapter was to bring an Asian perspective to the development of relationship marketing, with an emphasis on the Thai personality traits that have an important influence on service quality, customer satisfaction

and loyalty. The chapter also explored the Thai national characteristics that impact relationship management between hotels and their stakeholders.

Based on a review of the literature, it can be concluded that Thai culture has a significant influence on the delivery of excellent service quality and plays a key role in the management of relationships between hotels and their stakeholders.

CHAPTER 6: METHODOLOGY

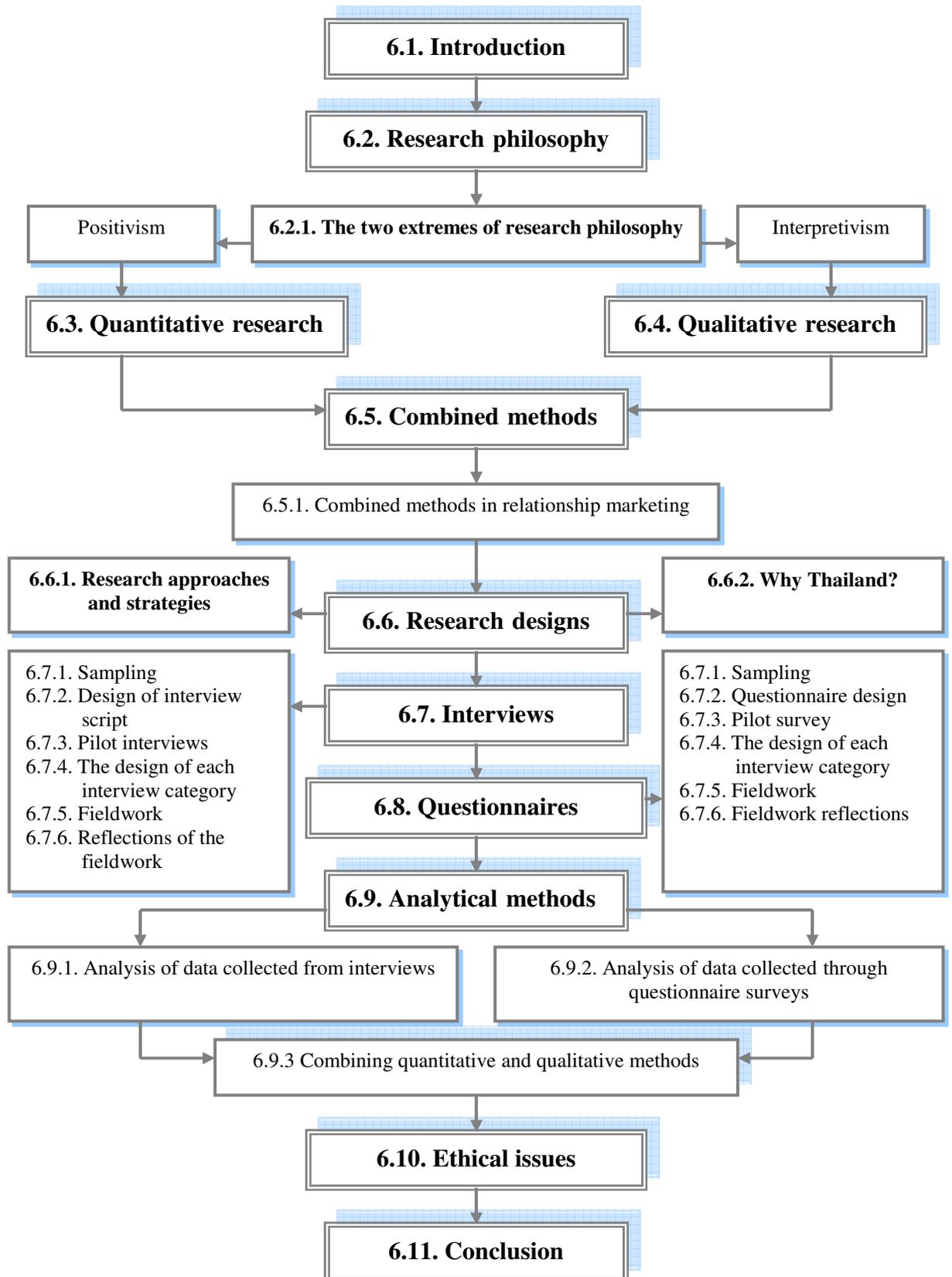


Figure 6.1: Structure of Chapter 6

6.1. Introduction

This chapter discusses the research design, methodology, and methods of this study and reports on subsequent fieldwork experience. The first part of this chapter explores the importance and relevance of understanding the research philosophy and paradigms that underpin any empirical research and RM research in particular. On this foundation, alternative quantitative and qualitative research methods are compared and contrasted. The chapter also explores the principal distinctions between quantitative and qualitative paradigms, and undertakes an examination of the methodology of combining methods or triangulation. The choice of using interviews and questionnaires as research instruments is justified in the second half of this chapter. The research instruments also include sampling, data collection, and fieldwork experience. Finally, the analytical method used is discussed at the end of this chapter.

6.2. Research philosophy

There are several reasons why an understanding of philosophical issues is important in this study. Firstly, research philosophy is a set of assumptions about the world, which provides a useful conceptual and philosophical framework (Deshpande 1983). Secondly, the nature of philosophical questioning in itself is helpful for the researcher, as it often encourages in-depth thinking, leads to further questions in relation to the topic (Carson et al. 2001) and generates criteria by which the appropriate methodology can be selected and applied in the study (Bryman 2008). Furthermore, it underpins the choices and decisions made in doing research in this study (Easterby-Smith et al. 2001). The choice of approach may be dependent on the context of the study and the nature of the questions being asked. Finally, it highlights important problems and issues, and helps to establish models and theories (Sheth et al. 1988).

Shih (1998) lists four areas for consideration which were helpful to this study when deciding on a research method, namely: the philosophical paradigm and goal of the research, the nature of the phenomenon of interest, the level and nature of the research questions, practical considerations related to the research environment, and the efficient use of resources. The following sections present the two extremes of research philosophy: *positivism* and *interpretivism*.

6.2.1. The two extremes of research philosophy

There are many alternative approaches in social research. However, the two most well-known approaches are *positivism* and *interpretivism* (Easterby-Smith et al. 2001, Carson et al. 2001). *Positivism* and *interpretivism* belong to distinctively different paradigms (Carson et al. 2001). ‘The distinction is most commonly applied at the level of method: the process of data collection and the form in which the data are recorded and analysed’ (Brannen 1992, p.3), and the most important difference between them is the way in which each paradigm treats data (Brannen 1992). In terms of how research is conducted, ‘the positivist view of the world is synonymous with the quantitative paradigm, whilst the idealist (interpretivist) view of the world is the qualitative paradigm’ (Deshpande 1983, p.103). The term ‘*positivism*’ often denotes the same fundamental approach as quantitative methods, while ‘*interpretivism*’ refers to methods which are essentially qualitative in nature.

The nature of positivism

According to the existing literature, *positivism* can be defined in various ways. Smith (1998) provides a useful insight into *positivist* thinking within social sciences. The author argues that positivist approaches state that things can be studied as hard facts and the relationship between these facts can be established as scientific laws. For *positivists*, such laws have the status of truth and social objects can be studied in much the same way as natural objects (Smith 1998). In other words, the purpose of science is simply to stick to what researchers can observe and measure (Easterby-Smith et al. 2001, Carson et al. 2001). According to *positivists*, knowledge of anything beyond that is impossible (Jupp & Norris 1993). The key approach of the scientific method is the experiment: the attempt to discern natural laws through direct manipulation and observation. The assumption is that ‘the researcher is independent of and neither affects nor is affected by the subject of the research’ (Remeny et al. 1998, p. 33).

The nature of interpretivism

Following the acknowledgment by scholars such as Bronowski (1956) and Popper (1959) that *positivism* is no longer entirely defensible, a new philosophy emerged, that of *interpretivism*. The *interpretivist* paradigm provides an alternative to the traditions and foundations of *positivism* for conducting disciplined inquiry (Easterby-Smith et al. 2001). This approach is

dependent on the researchers conducting the study providing their own expectation of their situation or behaviour (Veal 1997). According to this approach, the researcher is not objective or independent from the process of research. Saunders et al. (2003, p.84) argue that 'the social world of business and management is far too complex to lend itself to theorising by definite 'laws' in the same way as the physical sciences.' Researching issues such as relationship marketing with customers within the hotel context is complex. It involves dealing with the attitudes, reactions, behaviours and preferences of customers which requires in-depth information using qualitative methods such as individual semi-structured interviews. Researchers operating within the framework of the interpretative paradigm focus on investigating the complexity, validity, contextualisation, and shared subjectivity of both the researchers and the research matter (Fryer 1991). According to this approach, reality does not exist completely separately; its composition is influenced by its situation, and many constructions of reality are therefore possible in interpretative thinking (Hughes 1994).

6.3. Quantitative research

Quantitative research is regularly depicted as an alternative approach to the conduct of social research; it applies a *positivist* approach to social phenomena. The aim of quantitative methods is to determine whether the predictive generalisations of a theory are true based on the assumption that there exists an objective truth that can be measured and explained scientifically (Morgan & Smircich 1980). In other words, quantitative research represents an inquiry into an identified problem which is measured with numbers and analysed using statistical techniques. The quantitative researcher isolates and defines variables and variable categories. These variables are linked together to frame hypotheses often before the data are collected, and are then tested upon the data (Brannen 1992). Quantitative research encompasses the counting and measuring of events and the statistical analysis of a body of numerical data (Smith 1998). The main concerns of the quantitative paradigm are that measurement is reliable and valid in its clear prediction of cause and effect (Cassell & Symon 1994). Quantitative researchers are considered to be external to the research, and results are expected to be replicable no matter who conducts the research (Ting-Toomey 1984).

6.3.1. Strengths of the quantitative method

Utilising quantitative methods provides researchers with a number of benefits.

- They enable the researcher to state the problem in very specific terms (Frankfort-Nachmias & Nachmias 1992).
- They produce quantifiable, reliable data which yield conclusions that can be generally extrapolated to a larger population (Balsley 1970).
- Analysis of the data obtained usually leads to more objective conclusions (Ting-Toomey 1984; Bryman 2008).

6.3.2. Weaknesses of the quantitative method

Utilising quantitative methods can result in a number of disadvantages.

- They fail to provide the researcher with information on the context in which the phenomenon which is being studied occurred (Lincoln & Guba 1985).
- It is not possible for the researcher to control the environment in which the respondents are providing answers to the survey (Patton 1990).
- The findings are limited to those areas which were outlined in the original research proposal due to the use of closed questions and the highly structured format (Bryman 2008).

6.4. Qualitative research

Qualitative research, in contrast, is considered to be much more flexible than quantitative research (Cassell & Symon 1994). In general, it is more likely to take place in a natural background (Lincoln & Guba 1985). Qualitative research methodologies are designed to provide the researcher with the perspective of target audience members through immersion in a culture or situation and direct interaction with the people under study. It aims to understand a social or human problem from multiple perspectives. 'Proponents of qualitative methodology justify their preference for participant observation by reference to its ability to meet a prior set of epistemological requirements' (Bryman 1988, p.79). The qualitative researcher begins with defining very general concepts which, as the research progresses, alter in definition (Brannen 1992). Within this paradigm, the researcher becomes the instrument of data collection, and the results depend upon who conducts the research (Patton 2002).

6.4.1. Strengths of the qualitative method

Utilising qualitative methods provides researchers with a number of benefits.

- They enable the researcher to gain insight into an area which cannot be analysed by means of the statistical analysis which is employed in quantitative research (Lincoln & Guba 1985; Cook 1993).
- They enable the researcher to obtain detailed information and provide a holistic view of the phenomenon under investigation (Bogdan & Taylor 1975; Patton 1980, 1990)
- They allow for flexibility of data collection, and the subsequent analysis and interpretation of the data (Cassell & Symon 1994; Hoepfl 1997).
- They allow the researcher to interact with the research subjects in their own language and on their own terms (Morgan 1993).

6.4.2. Weaknesses of the qualitative method

Utilising qualitative methods can result in a number of disadvantages.

- The results obtained using qualitative methods may be biased depending on the personal characteristics of the researcher (Fryer 1991).
- Analysis of the data may lead to inconsistent conclusions (Hamel et al. 1993; Parahoo 1997).
- It is often necessary for the researcher to have a high level of experience in order to acquire sufficiently detailed information from respondents (Fryer 1991).
- The techniques by which the research is conducted generally lack consistency and reliability (Hamel et al. 1993; Myer 2000).

In summary, the view arising from the discussions above is that quantitative and qualitative research represents distinctive approaches to social research. Each approach is associated with a certain cluster of methods of data collection: quantitative research is strongly associated with social survey techniques like self-administered questionnaires, experiments, structured observation, content analysis, and the analysis of official statistics. Qualitative research is typically associated with participant observation, semi-structured and unstructured interviewing, focus groups, the qualitative examination of texts, and various language-based techniques like conversation and discourse analysis. It is important to note that while quantitative research methods and qualitative methods are often perceived to be in opposition

to each other, they are frequently used in combination (Bryman 2008). This is called the *combined method, mixed methods* or *triangulation approach*. According to research, this is a recent trend in the social sciences and in business-orientated research.

6.5. Combined methods (Triangulation)

‘Combined methods’ is frequently cited as a useful technique for strengthening the rigour of research by combining multiple methods, measures, researchers, theories and perspectives (Denzin 1978; Patton 1990; Denzin & Lincoln 1994; Miles & Huberman 1994). This mixed method approach is advocated because it can provide more than one perspective on the problem and the different forms of evidence collected can reinforce each other to improve the richness of results (Burgess 1982; Brannen 1992; Carson et al. 2001). Burgess (1982) chooses the term ‘multiple research strategies’ to describe the use of various methods in dealing with a research problem. According to the author’s view, field methods which do not include observation, informant interviewing and sampling are narrow and inadequate. Researchers must be flexible and must therefore select a range of methods that are appropriate to the research problem under analysis (Burgess 1982). A combination of methods facilitates the exploration of complex social processes by assuming a holistic perspective on real-life events (Weinreich 1999). ‘Combined methods’ has been used to increase the validity of the data gathered (Denzin 1970; Cain & Finch 1981; Goodwin & Goodwin 1984), to enhance the trustworthiness of the analysis (Mason 1994), and to reduce the bias and limitations of a particular method by compensating with the strengths of another method (Lincoln & Guba 1985; Laurie 1992). Practitioners of ‘combined methods’ claim that quantitative and qualitative forms of research are most effective when used in combination (Cain & Finch 1981; Hammersley 1992; Carson et al. 2001).

6.5.1. Combined methods in relationship marketing

Relationship marketing is a contemporary and on-going phenomenon. There is no agreement as to what it constitutes; no accepted principles or constructs have yet been established. Many marketing researchers who use combined methods recognise that each approach has positive attributes, and that combining different methods can therefore result in gaining the best of both quantitative and qualitative research methodologies (Mason 1994; Weinreich 1999). Researchers have learned that quantitative research surveys do not always provide all of the data needed; consequently, qualitative methods such as focus groups and individual

interviews have emerged as part of their research selection (Weinreich 1999). This study aims to identify evidence of contemporary practices of relationship marketing in the Thai hotel industry. The study therefore involves a number of methods (such as qualitative semi-structured individual interviews and quantitative surveys with questionnaires). Both quantitative and qualitative methods were used to provide a more complete picture of the issue being addressed. Relationship marketing in the hotel industry relies upon consumer-focused research to learn as much about the customer as possible by viewing their lives from many different perspectives. It relies upon an investigation of the relationship between customers and employees. However, certain types of information may require quantitative data collection methods, such as in Section 7.7 of this study which compares customer expectations with their actual experiences of staying in a hotel. The attitudes of the general managers and employees to customer relationships and the attitudes of customers to their relationships with the hotel, for example, may be best determined through qualitative methods. An effective and responsive approach to conducting research in relationship marketing thus requires a combination of research approaches in order to produce the data needed for analysis. Therefore, a number of behaviours and preferences have been included in this study which have been analysed both quantitatively as part of a larger group and qualitatively as an examination into individual attitudes, reactions, behaviours and preferences.

6.6. Research designs

6.6.1. Research approaches and strategies

In the previous section, the research philosophy was introduced as a broad orientation to social research. In this section, the research design will be discussed as it relates to the criteria that are employed when evaluating social research. Research design is, therefore, ‘a framework for the generation of evidence that is suited both to a certain set of criteria and to the research question in which the investigator is interested’ (Bryman 2001, p.28). This study is carried out by using a combination of qualitative and quantitative methods. Bryman (1988) has suggested three main ways in which those researchers who have drawn on both quantitative and qualitative methods in their work have combined them: equal emphasis is placed on both qualitative work as a facilitator of quantitative work and quantitative work as a

facilitator of qualitative work. This study used quantitative work as a facilitator of qualitative work.

Aim of the investigation

The aim of this research is to explore the scope, nature and forms of relationship marketing in the hotel industry in Thailand. The results of the research provide a valuable insight into relationship marketing in the Thai hotel industry and will hopefully form the basis for subsequent improvements in management practice.

Objectives

- To assess the awareness of the concept of relationship marketing among nationally affiliated hotels, internationally affiliated hotels, and individually owned hotels in Bangkok, Thailand.
- To compare and contrast methods of establishing and managing hotel-customer relationships in Thailand.
- To develop a model of relationship marketing for the hotel industry in Thailand.

This study began with the idea of exploring relationship marketing in the hotel industry in Bangkok, Thailand. Three objectives were achieved using appropriate research design and research tools. This study included both qualitative and quantitative methods due to the fact that relationship marketing research consists of cognitive and emotional, as well as behavioural, components. Both quantitative and qualitative approaches have their strengths and weaknesses and each is particularly suitable for different contexts. The strengths and weaknesses of each approach are considered; the use of a single method might fail to explore all of these components and the use of a mixed methods approach is appropriate in this study. It is very important, therefore, that an in-depth understanding of the strengths and weaknesses of both approaches is obtained in this section as presented below.

Based on the previous discussion of the strengths and weaknesses of qualitative and quantitative methods, the advantages of a qualitative methodology for relationship marketing research can be summarised as follows:

- Qualitative methods are an appropriate way of measuring the attitudes, opinions, and perceptions of interviewees. Using personal contact such as semi-structured interviews may more effectively gain the confidence of the respondent, encourage them to discuss the issue frankly in formal research terms and enable the researcher to gain a greater level of social access (Hoepfl 1997).
- Qualitative methods were used to explore in-depth information, to assess awareness of the concept of relationship marketing in Thai hotels and to identify specific insights into the development of relationship marketing in the hotel industry in Thailand.
- This in-depth information was used to compare and contrast methods of creating and managing relationships between hotels (nationally affiliated hotels, internationally affiliated hotels, and individually owned hotels) and customers. It was also used to develop a RM model that applies specifically to Thai hotels.

Quantitative research design allows for flexibility in dealing with data, in terms of comparative analyses, statistical analyses, and the repeatability of data collection in order to verify reliability (Hoepfl 1997). As discussed earlier in the assessment of the strengths and weaknesses of qualitative and quantitative methods, it can be seen that quantitative methodologies have certain strengths for relationship marketing research.

- Quantitative methods are appropriate for measuring customers' expectations and satisfaction with respect to their relationships with hotels.
- Quantitative methods enable the use of a survey with a sample of 1,000 customers rather than having to conduct interviews with a sample of respondents which is more limited in size.

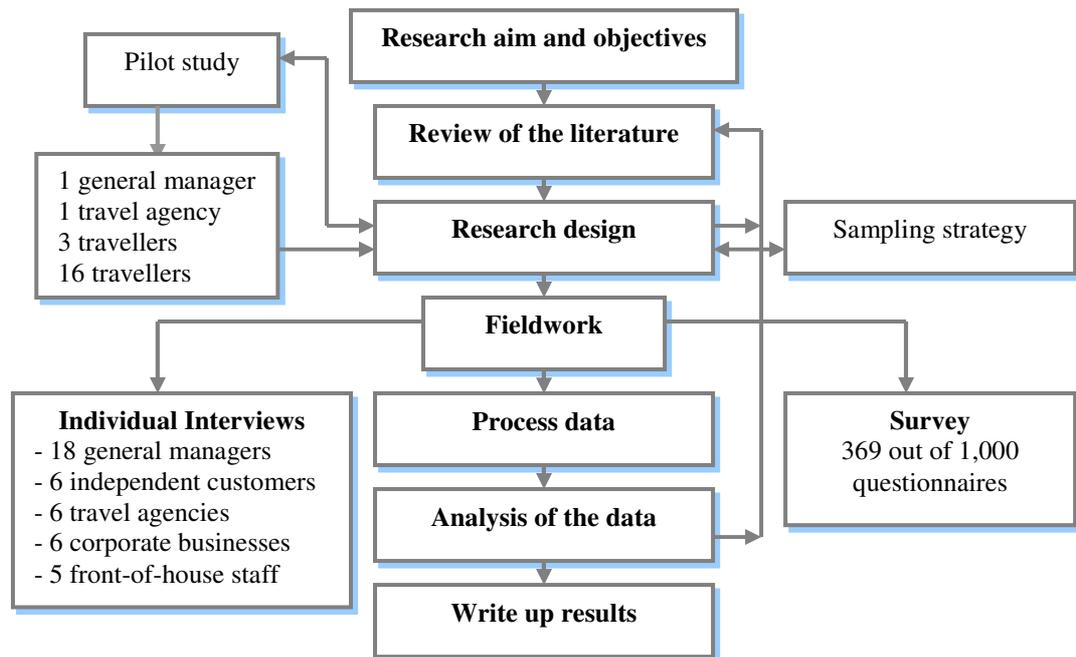


Figure 6.2: Framework of doing research

Figure 6.2 presents a framework for conducting research. This framework was designed before starting field research. The framework began with the research aim and objectives and a review of the literature in order to gather information about research issues and potential problems in choosing research methods. The research methodology and methods were carefully designed by comparing and contrasting methods from the information that was collected from the literature review. Combining methods was thus considered an appropriate method to use in this study. The sampling strategy was designed before doing the fieldwork and individual semi-structured interviews and questionnaire surveys were used as research methods. A pilot study was set up before carrying out fieldwork to confirm the validity of using a questionnaire and the appropriateness of the script for the interviews. The fieldwork, which consisted of individual interviews with 18 general managers, 6 independent customers, 6 travel agencies, 6 business representatives and 5 front-of-house personnel, as well as the distribution of 1,000 questionnaires, was carried out in Bangkok, Thailand. The transcription and coding and analysis of the data are addressed in more detail below.

6.6.2. Why Thailand?

Thailand was selected in this study as a location for field research for several reasons. Firstly, there are many researchers who have attempted to conceptualise relationship marketing in the hotel industry, but to date none of them has conducted research in Thailand. Secondly, as

discussed in Chapter 2, Thailand has become one of the most important tourist destinations in South East Asia. With such a considerable volume of visitors each year, the economic potential of the hotel industry has been recognised and exploited by different parties. Since a customer's satisfaction and loyalty is influenced by the availability of customer services, the provision of quality customer service has become a major concern of all businesses (Berry & Parasuraman 1991). Therefore, improving service quality and creating good relationships with customers is a critical issue in the success of the hotel industry in Thailand. This is the main motivation for the development of an effective relationship marketing model for the Thai hotel industry within this thesis. The final and perhaps most important reason to study relationship marketing in Thai hotels is the significant role played by Thai culture in the development, maintenance and enhancement of relationships with customers and other stakeholders.

Hotels in Bangkok were selected because Bangkok is an international metropolitan city with over 150 hotels (THA 2008). Furthermore, competition between hotels in Bangkok is far more intense than in any other part of Thailand. Therefore, conducting research in this location will be of great benefit and will provide useful insights into relationship marketing in the Thai hotel industry as a whole.

6.7. Interviews

Conducting interviews is perhaps the most widely employed method in qualitative research. The interview is a powerful method of data collection (Fielding & Thomas 2001; Tashakkori & Teddlie 2008); it enables one-to-one interaction between the data collector and the participant and tends to be much less structured than quantitative research methods. As a result, qualitative interviewing is generally flexible, and responds to the direction in which the interviewee takes the interview (Bryman 2008). Even though conducting interviews, transcribing the interviews and analysing those transcriptions is very time-consuming, they can be a very useful method of gaining in-depth information from participants (Bryman 2008).

When to use interviews

According to Patton (2002), interviews are most appropriate in situations in which there is complex subject matter, detailed information is sought, the respondents are busy or high-

status and there is highly sensitive subject matter. Saunders et al. (2003, p. 250) have found that ‘managers are more likely to agree to be interviewed, rather than complete a questionnaire, especially where the interview topic is seen to be interesting and relevant to their current work. An interview provides them with an opportunity to reflect on events without needing to write anything down.’ Therefore, this method was used in this study with five different groups: general managers, representatives of business organisations, industry intermediaries, independent travellers, and front-of-house personnel.

6.7.1. Sampling

This study used convenience sampling and a snowball technique in order to obtain access to the data. According to Bryman (2008), convenience sampling is used in exploratory research where the researcher is interested in gaining an inexpensive approximation of the truth. As its name implies, this technique is mainly selected because of its convenience. This non-probability method (see Figure 6.3 below) is often used in order to obtain a gross estimate of the results without incurring excessive cost or time (David & Sutton 2004). Convenience sampling, in particular, is usually used with those individuals who are otherwise difficult to contact, such as the general managers of the hotels selected in this study. However, the major disadvantage of this technique is that it does not represent the entire population and so it may be considered to be biased. Despite this, the information obtained can still provide some useful insights, and is a good source of data in this exploratory study (Bryman 2008).

The snowball technique is a form of convenience sample (see Figure 6.3). In this approach, the researcher makes initial contact with a small group of people, such as general managers, who are relevant to the research topic, and then uses this to establish contacts with others. Snowball sampling is particularly useful when trying to reach populations that are inaccessible or hard to find. The problem with snowball sampling is that the sample is unlikely to be fully representative of the population (Bryman 2008). However, in this study, snowball sampling was very useful when trying to reach populations that were difficult to access, such as the general managers of hotels. This sampling method provided in-depth information on relationship marketing from respondents in this study. Since restrictions related to time and cost prevented the researcher from using probability sampling, convenience sampling and the snowball technique were considered to be most suitable for this study.

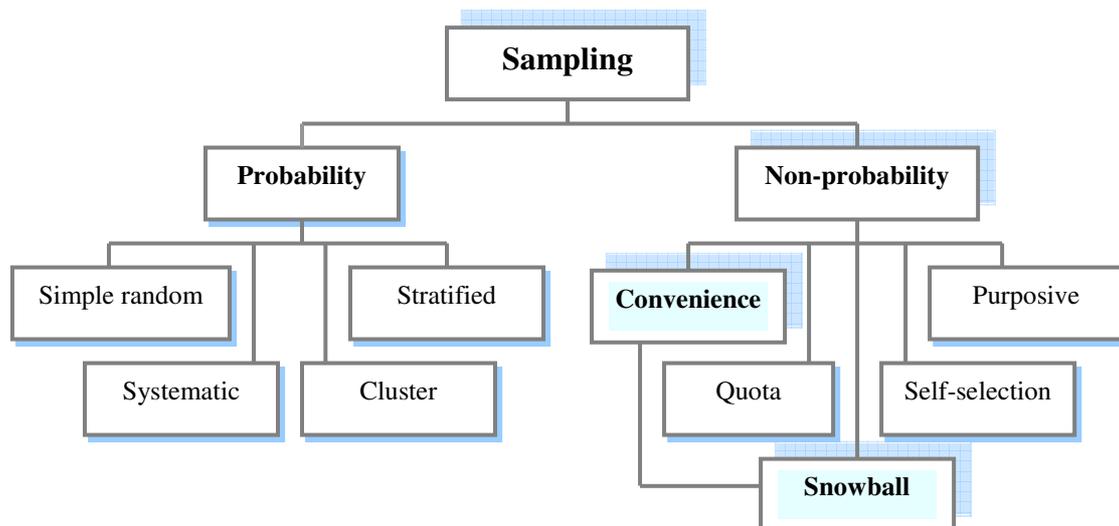


Figure 6.3: Sampling techniques
 (Source: Adapted from Saunders et al. 2003)

6.7.1.1. Categorisation of hotels

As mentioned in Section 3.2.2, hotels can be categorised into national chain hotels, international chain hotels, and individually owned hotels (see Figure 6.4 below) based on information from the Thai Hotel Association (THA). The study selected six hotels from each group of hotels on the THA list of hotels in Bangkok, Thailand by using a random sampling technique at the initial stage. The random sampling technique was chosen in order to reduce the likelihood of bias. However, in applied social research there may be circumstances where it is not feasible or theoretically rational to conduct random sampling. In this study, for example, there was a significant problem gaining access to the general managers of hotels, making it impossible to use the random sampling method at this stage. For this reason, a convenience sampling and a snowball technique was the only practicable mode of tracing suitable respondents. In this study, one general manager from a hotel recommended general managers from other hotels, enabling the final selection of eighteen hotels.

With respect to the sample size, Bryman (2008) comments that this depends on a number of considerations and there is no ‘perfect’ sample size. Most of the time, sample size is affected by considerations of time and cost (Saunders et al. 2003). Bryman (2008) suggests that an important component of any decision about sample size should be how much sampling error one is prepared to tolerate. Larger sample sizes lead to a lower likelihood of generalisation and thus error (Saunders et al. 2003). However, the validity and understanding that

researchers gain from the data collected has more to do with the methods of data collection and skills of analysis than with the size of the sample (Patton 2002). Due to limitations of time and cost, the fieldwork in this study was conducted within a 3 month period (February 2006 to April 2006) and the sample size was based on this time frame.

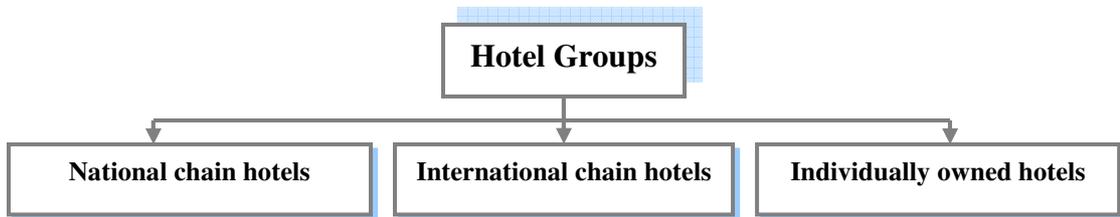


Figure 6.4: Categorisation of hotels by ownership

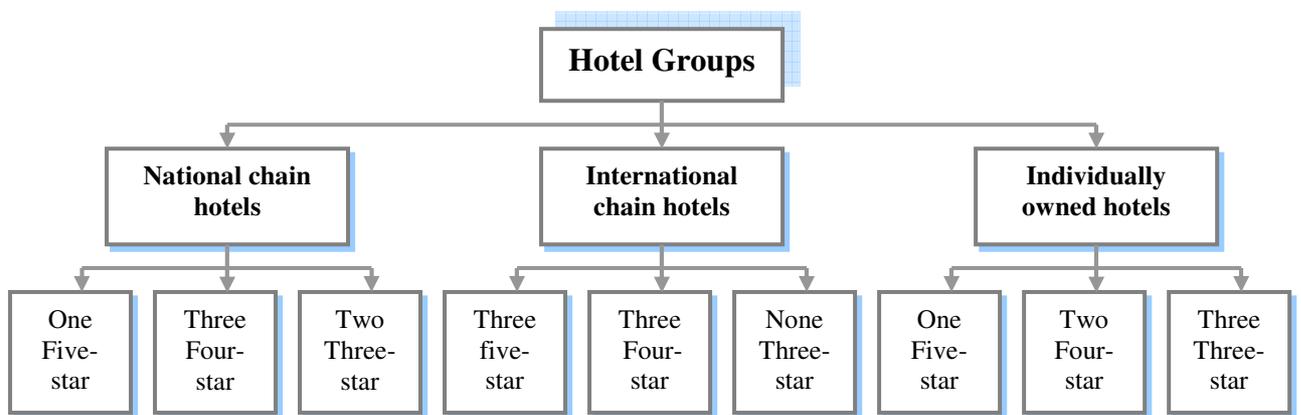


Figure 6.5: Categorisation of hotels: sub-categorised by star rankings

Figure 6.5 represents the categorisation of hotels and is sub-categorised by star rankings. The Thai Hotel Association (THA) star classification was used in this study. This categorisation was useful when analysing data in this study. Thus, in the ‘national chain hotels’ group there is one five-star hotel, three four-star hotels, and two three-star hotels; the ‘international chain hotels’ group consists of three five-star hotels, three four-star hotels, and no three-star hotels, and the ‘individually owned hotels’ group consists of one five-star hotel, two four-star hotels, and three three-star hotels.

6.7.1.2. General managers

The general managers who participated in the interviews were selected from the hotels that were selected in Section 6.7.1.1. Six general managers were selected from each group of hotels, as is shown in Figure 6.6.

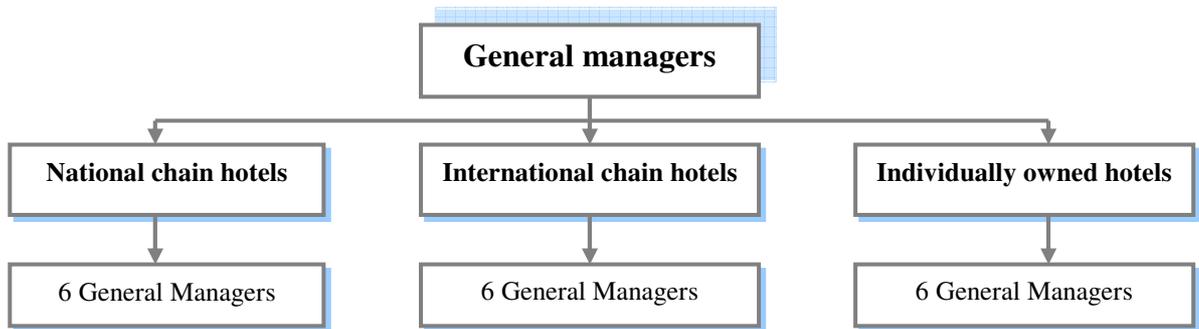


Figure 6.6: The general managers of hotels

6.7.1.3. Customers

Customers were categorised into three groups: independent travellers, representatives of business organisations (corporate businesses), and industry intermediaries (travel agencies). Independent travellers were selected using convenience sampling to fulfil the quota of six customers. Independent travellers included those international travellers and domestic tourists who stayed in the hotels between February 2006 and April 2006. Representatives of business organisations (such as companies who use hotels to attend conferences, seminars, or business people who stay overnight for a business purpose) and industry intermediaries (such as travel agencies) who had long-term relationships of one year or more with the hotels were chosen by convenience sampling from the hotels' name list. Two companies from each group of hotels were selected and contacted by the general managers or by a member of hotel staff. Therefore, a total of twelve business customers and industry intermediaries were contacted (see Figures 6.7 and 6.8).

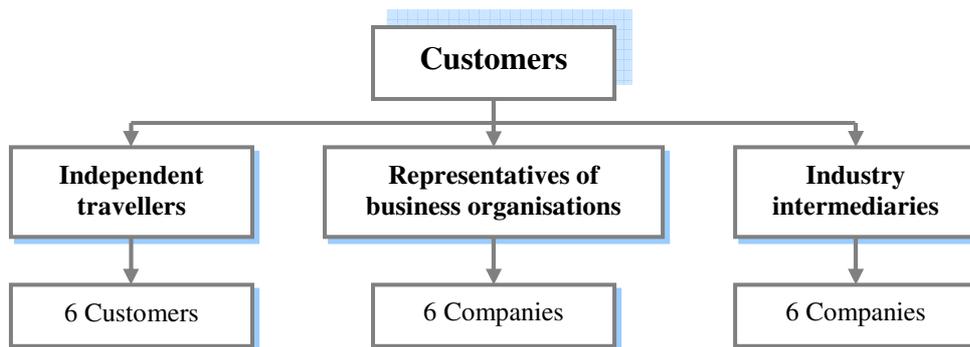


Figure 6.7: The three groups of customers

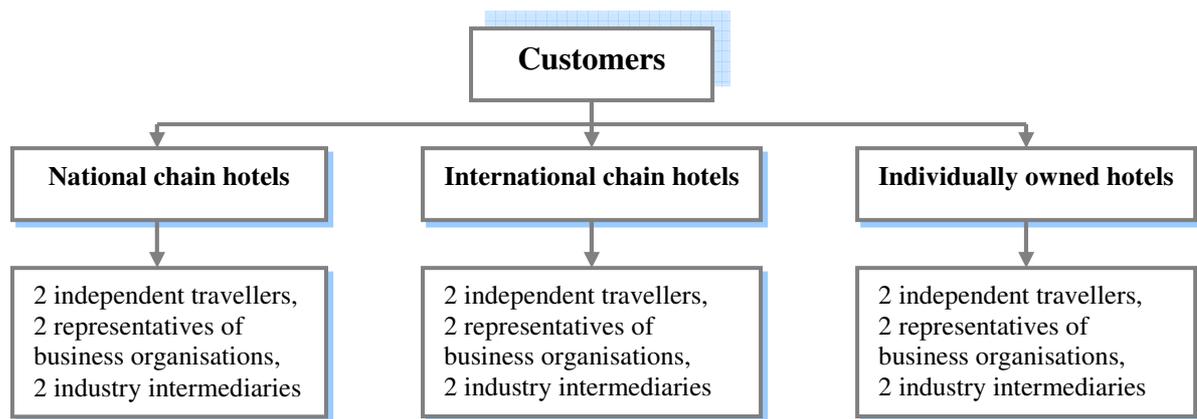


Figure 6.8: The three groups of customers categorised by hotel groups

6.7.2. Design of the interview script

The three main types of interview consist of unstructured interviews, semi-structured interviews and structured interviews (Saunders et al. 2003). This study used semi-structured interviews which were developed based on the aims and objectives of the study, as well as the pilot guide, in order to meet the purpose of this study. By comparison, semi-structured interviews are non-standardised. In the semi-structured interviews, the researcher has a list of themes and questions to be covered, and the order of questions may also be varied depending on the flow of the conversation (Saunders et al. 2003). A semi-structured interview is relatively flexible and allows room to pursue topics of particular interest to the participants so that more specific issues can be addressed. For example, in this study, as the interview programme proceeded, interviewees themselves raised additional or complementary issues which formed an integral part of the study's findings. However, a number of data issues can be identified in relation to the use of semi-structured interviews. The lack of standardisation in these interviews may lead to concerns about reliability and is also related to issues of bias (Saunders et al. 2003). The researcher was therefore concerned about the design of the interview script, the reasons underpinning the choice of strategy and methods, and the data obtained in the study and took care to overcome data quality issues by following an interview guideline which is presented in Figure 6.9.

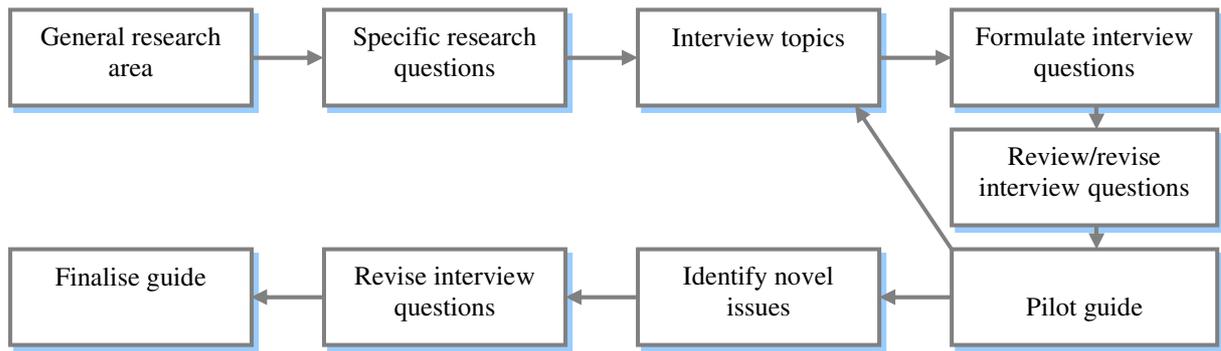


Figure 6.9: Formulating questions for an interview guide
(Source: Adapted from Bryman 2008)

Figure 6.9 is a guideline to designing an interview, and explains the process of how to conduct an interview. The researcher has to begin with the general area of research before focusing on specific research questions; the researcher can then design the interview topics and formulate interview questions, review and revise those questions, pilot guides, identify novel issues, revise the interview questions, and finalise the guide. This study followed the guideline outlined in Figure 6.9 in order to formulate questions for the interviews. The interview scripts which were used can be grouped into five categories: an interview script for general managers from hotels, an interview script for independent customers, an interview script for travel agencies, an interview script for corporate businesses, and an interview script for front-of-house personnel as is presented in greater detail in Section 6.7.4 below.

6.7.3. Pilot interviews

Before embarking on the fieldwork, the researcher piloted the questionnaires and the interviews between July 2005 and August 2005 in Thailand, in order to test the validity and practicality of the questionnaires and to develop the script of the interviews. A pilot interview was conducted with one general manager, one travel agency, and three independent travellers. One hotel in Bangkok was asked to participate; it was chosen by means of a convenience sampling technique from the list of hotels provided by the Thai Hotel Association (THA) as a result of the researcher's personal contacts with the Thai Hotel Association and with the hotel. One travel agency, which had a relationship of at least one year with the hotel, was selected using convenience sampling, and three independent travellers were asked to participate in the pilot study by the general manager. The results of this pilot interview provided valuable information on the design and wording of the script for the interviews.

As suggested by Sewell (2002), qualitative interviews may be used as an exploratory step; they may help to determine the appropriate questions and categories to be used in preparation for the design of more quantitative, structured questionnaires. Preliminary individual interviews were used with three independent travellers (two travellers were non-Thais and one was Thai) from the hotel in order to obtain in-depth information about their relationship with the hotel, as well as their expectations and level of satisfaction with the service provided. Given the complexity of the relationships between hotels and their customers, these findings were used as a starting-point for the design of an appropriate questionnaire.

In general, the pilot study proved that the research tools that had been selected were appropriate and the research design was practicable. However, a few interesting points arose. Firstly, after interviewing the general manager, the researcher recognised that front-of-house personnel play a key role in developing, managing, and enhancing relationships with customers. This persuaded the researcher that additional interviews with front-of-house personnel would lead to insightful, in-depth information about their relationships with customers and their relationships with the hotel. Secondly, certain questions which had been included in the interview script were not sufficiently clear and led to confusion during the interview. These issues enabled the researcher to refine the research design by including an interview with 5 front-of-house personnel and preparing a more comprehensible interview script.

6.7.4. The design of each interview category

6.7.4.1. Interview script for general managers of the hotels

The interview script for Thai general managers was written in Thai; this was translated into English for foreign general managers. This translation was carried out by the researcher and was double-checked by a third person who is bilingual (see Appendix: 1 Interview scripts). The interview script for general managers consisted of three main sections:

1. Sample characteristics and general information

This section asked about respondents' profiles. The questions aimed to find out which factors hotel managers consider to be most important in the effective management of their hotels. Questions such as the following were asked: 'What are the success factors in the overall success of hotels?' 'How do you perceive hotels as a place to work?'

2. Specific information about relationship marketing

This section went into more detail about relationship marketing in order to assess the awareness of the concept of ‘relationship marketing’ and to discover more about the relationship between hotels and their customers. Questions such as ‘Are you familiar with the term relationship marketing?’, ‘What methods do you use to keep your customers and make them come back?’ and ‘Do you think you and your employees understand what the customer actually needs and wants?’ were asked.

3. Relationship with employees

This section aimed to explore the relationship between hotels and their employees. Questions such as ‘How satisfied are you with your communication with your staff?’, and ‘Do you often have conflicts with your staff?’ were asked.

The researcher also frequently asked for reasons and justifications at the end of each question in order to encourage the respondent to expand on their answer.

6.7.4.2. Interview script for travellers (independent customers)

The interview script for Thai travellers was written in Thai and was translated into English for foreign travellers. This translation was carried out by the researcher and was double-checked by a third person who is bilingual (see Appendix 1: Interview scripts). The questions aimed to measure customers’ expectations and satisfaction with the service provided, as well as their overall experience of their stay in the hotel. The interview script for travellers consisted of three main sections:

1. Sample characteristics and general information

This section asked about respondents’ profiles and travel experience.

2. Specific information

This section focused on the expectations of customers before arriving at the hotel, their level of satisfaction after staying in the hotel, and their perceptions of the overall performance of the hotel.

3. Comparison with other hotels

Questions asked in this section aimed to discover what customers thought about the hotel in comparison to other hotels which they had visited in the past.

6.7.4.3. Interview script for industry intermediaries (travel agencies)

All of the industry intermediaries (travel agencies) were Thai, thus the interview script was written entirely in Thai (see Appendix 1: Interview scripts). The script consisted of three sections:

1. Sample characteristics and general information

This section asked about companies' profiles and the criteria they used in choosing hotels to be business partners.

2. Specific information

This section aimed to explore the relationship between industry intermediaries and hotels and/or hotel staff before, during, and after the business negotiation. Furthermore, this section aimed to find out why these industry intermediaries had long-term relationships with their hotels.

3. Comparison with other hotels

Following the questions asked in the second section, this section aimed to discover the specific features of the hotel and how they compared to others in the industry.

6.7.4.4. Interview script for representatives of business organisations

Similarly to the interview script for industry intermediaries, all of the representatives of business organisations who were interviewed were Thai, thus these interview scripts were all written in Thai (see Appendix 1: Interview scripts) and consisted of three sections. The questions included in the script and the purpose of the interviews were also similar to those of the interview script for industry intermediaries. The interviews aimed to explore the relationship between business representatives and the hotels and/or hotel staff in negotiations before, during, and after the sale. Furthermore, they aimed to find out the reasons for these relationships.

6.7.4.5. Interview script for front-of-house personnel

All of the front-of-house personnel were Thai, thus the interview script for these front-of-house personnel was written entirely in Thai (see Appendix 1: Interview scripts). The interview script consisted of four sections:

1. Sample characteristics and general information

The aim of this section was to gain general information about respondents' profiles. Questions such as 'How long have you been working at this hotel?' and 'How satisfied are you with your salary at this hotel?' were asked.

2. Specific information about their relationship with the customers

This section aimed to explore the relationships between the front-of-house personnel and the customers.

3. Specific information about their relationship with senior staff

This section aimed to explore the relationships between the front-of-house personnel and the senior staff at the hotel.

4. Specific information about their relationship with their colleagues

This section aimed to explore the relationships between the front-of-house personnel and their colleagues.

6.7.5. Fieldwork

The data were collected from February 2006 to April 2006. One-to-one, semi-structured interviews were conducted on the basis of semi-structured questions with 41 people including 18 general managers from the hotels, 6 independent customers, 6 travel agencies, 6 business representatives, and 5 front-of-house personnel. The researcher achieved all the interview targets as planned in the research methodology and research design. Respondents agreed to participate by sending the researcher e-mails and by using telephone calls. The researcher carried an identification document provided by the university and used it to identify herself before the interview started (see Appendix 3: Document). At the beginning of the interview, the respondents were briefed with the purpose of the research and the procedure of the interviews so that they could fully understand and agree to provide in-depth information. At this stage, the respondents were assured of the confidentiality of the information they would provide in order to allow them to speak freely and assertively. Permission was asked to use two tape-recorders (Sony Voice Digital Recorder and Iriver Digital Recorder) during the interview; all of the respondents agreed. The interviews took place in respondents' hotels or companies and lasted between two and three hours for the general managers and between 45 minutes and two hours for the other respondents.

6.7.5.1. Individual interviews with the general managers

Successful contact was established with one general manager, and an appointment was arranged at an agreed time and place for the interview. Once consent was obtained from one general manager, it was not difficult to obtain interviews with other respondents due to the networking/snowballing effect. After interviewing the first general manager, contact was established with a second general manager and this process continued until a total of 18 general managers were contacted.

Even though the general managers were mutual acquaintances, the interviews were not affected by bias as the general managers were assured of the confidentiality of the information they provided. Semi-structured, individual interviews with the general managers of each hotel were used to obtain in-depth information, assess the awareness of the concept of relationship marketing among the group of hotels, and to discover specific insights into the development of relationship marketing in the Thai hotel industry. Interviewees were required to talk about their personal background as well as provide specific information about relationship marketing and their relationship with their employees.

6.7.5.2. Individual interviews with independent customers

Four of the interviews which were conducted with independent customers were arranged by the general managers and staff of the hotels using convenience sampling. Two of them were directly approached by the researcher because the five-star hotels refused to allow the researcher to interview their customers out of respect for their privacy. Two independent customers were from four-star national chain hotels, two were from five-star international chain hotels, and two were from three and four-star individually owned hotels. All of the interviewees were foreign. Interviewees were asked to talk about their personal background and provide specific information about their expectations and degree of satisfaction with the hotels in which they were staying.

6.7.5.3. Individual interviews with industry intermediaries

All of the interviews with industry intermediaries were arranged by general managers and hotel staff and the interviews were arranged by telephone for an agreed time and place. The industry intermediaries were selected by the general managers and the hotel staff because the

purpose of this study was to gain in-depth information about the long-term relationships of industry intermediaries with the hotels. It was therefore preferable for the general managers and staff to recommend companies that they had known for a long time and with which they had good relationships. Interviewees were asked to talk about their personal background as well as providing specific information related to the field of relationship marketing and their relationships with the hotels.

6.7.5.4. Individual interviews with representatives of business organisations

All of the interviews with representatives of business organisations were also arranged by general managers and hotel staff for the reasons outlined above. The interviews were arranged by telephone for an agreed time and place.

6.7.5.5. Individual interviews with five front-of-house personnel

Interviews with five front-of-house personnel were added to the research design in order to obtain in-depth information about customer-employee relationships and hotel-employee relationships. The interviews were arranged by the general managers. Despite this, the interviews were not affected by bias as the interviewees were assured of the confidentiality of the information they provided. The interviewees were asked to talk about their personal background, as well as providing specific information related to the field of relationship marketing and their relationships with the customers and the hotel.

6.7.6. Reflections on the fieldwork

In this study, the research process is characterised by the important role of the researcher. ‘The awareness of a deeper level of kinship between the knower and the known adding that such recognition of kinship – the seeing of self in one’s participants – is an issue not only of obligation, but also of ethics. It is wanting only to understand and not to impose the self on the participants; however, it is also a process of not denying that self as researcher is present’ (Sanlo 1999, p.28). The researchers’ identification as a Buddhist and her Thai nationality was used as bedrock as well as an advantage in terms of cultural knowledge in understanding the respondents in relation to Thai culture and Thai personality. The cultural congruity the researcher had with the respondents allowed her to analyse the data with a high level of detail and proximity, which were crucial to generate more insights into the research area.

Furthermore, being a marketing lecturer and having her own family hotel in Thailand provided a unique advantage in forming probing interview and survey questions, acquiring information-rich data, being sensitive to the critical points in analysing the data, and yield insightful findings. The researcher also recognises that the proximity may give rise to potential barriers in understanding the emic perspectives of respondents. In this study, the researcher paid particular attention to this as she recognised the possibility of ignoring some significant taken-for-granted conventions because of her nationality and the proximity to the research settings. In addition, the intensive review of the research based on Western cultures and frequent comparison the findings with these literatures reduced the danger of researcher bias in terms of 'cultural sensitiveness'.

The interviews were conducted with 41 people and generally went well. Although these respondents may not have been representative of the entire population, a significant amount of vital information was obtained from them. Their answers were highly valuable and led to some useful findings. However, a number of issues arose while interviewing respondents for fieldwork. One of these problems occurred with the tape-recorder which was used. Even though the researcher used two tape-recorders, the information obtained from two general managers who were interviewed on the same day was lost because one of the tape-recorders stopped working and another one ran out of battery. Unfortunately, the researcher only recognised this issue after the interview had ended. The researcher attempted to rectify this issue by recording detailed notes immediately after the interview had taken place. A further issue was that in many cases, after the researcher switched off the tape-recorders, the interviewees continued to ruminate on the topics discussed and frequently made interesting comments. In this case, the researcher attempted to take notes as soon as possible after the interviews.

6.8. Questionnaires

This study used self-completion questionnaires with independent travellers who stayed in the hotels between February 2006 and April 2006. Self-completion questionnaires require respondents to answer questions by completing the questionnaire themselves (Bryman 2008). This method allows the collection of a large amount of data from a sizeable population in a highly economical way (Saunders et al. 2003; Bryman 2008). These data are standardised, thus allowing easy comparison (Saunders et al. 2003).

6.8.1. Sampling

The questionnaire respondents were independent travellers; this included those international travellers and domestic tourists who stayed in Thai hotels between February 2006 and April 2006. This study aimed to use 1000 questionnaire surveys to measure customers' expectations and levels of satisfaction, as well as their overall experience during their stay in the hotels. As has been mentioned in Section 4.6.2, in the context of relationship marketing, satisfaction is conceptualised as a key element of the concept of relationship quality (Crosby et al. 1990, Hennig-Thurau & Klee 1997). The researcher asked the general managers of 18 hotels for consent to place the questionnaires in every room, out of which 9 hotels agreed.

6.8.2. Questionnaire design

The questionnaire was designed using an adaptation of existing SERVQUAL measures along broader aspects of relationship marketing (see details of SERVQUAL measures in Section 3.6.4). As Lovelock et al. (1999, p.488) comment, 'SERVQUAL is seen as a generic measurement tool that can be applied across a broad spectrum of service industries'. The questionnaires consisted of three sections. The first section was designed to capture the demographic and travelling characteristics of the respondents using multiple-choice questions, which enabled the researcher to distinguish between those guests who had booked their own accommodation and those for whom the accommodation was part of a package tour or a business trip; it also contained questions about how the guests had selected the hotels. The second section was designed to measure customer expectations and the third section was designed to measure customer satisfaction, using a Likert-type scale (1-5). The most positive option was assigned a value of 5 and the most negative option was given a value of 1. Self-completion questionnaires are designed to have closed questions which are simple and easy to answer (see Appendix 2: Questionnaire).

Following the recommendation of the general manager from the pilot study, the questionnaires were in English. This is because roughly 90% of guests who stay in the hotels in Bangkok are foreign and the Thais that stay in those hotels are generally well educated. Moreover, English is a common business language in Thailand, and Thai business people frequently correspond in English. This feedback contributed to the researcher's decision to only use English-language questionnaires to collect data in Thailand.

6.8.3. Pilot surveys

A pilot survey was conducted between July 2005 and August 2005 in order to test the validity and practicality of the questionnaires. 100 questionnaires were placed into rooms at the same hotels that participated in the pilot interview). Pilot surveys were used with independent travellers who were staying in hotels in Bangkok during that period. After one month, 16 questionnaires out of 100 copies were returned to the researcher. The results provided important information on the design and wording of the questionnaire and the validity of the measurement scale used.

Generally, the pilot study proved that the questionnaires were appropriate. However, some questions which were featured were not sufficiently clear. This finding enabled the researcher to improve the design of the questionnaire.

6.8.4. Fieldwork

A total of nine hotels participated by allowing questionnaires to be placed in guests' rooms; 111 questionnaires were given to each hotel to distribute. The surveys were conducted with independent travellers who stayed in the hotels between February 2006 and April 2006. A covering letter was added in the envelopes explaining the objective and purpose of the survey in order to elicit the respondent's co-operation. Within a period of three months, 369 out of 1,000 questionnaires were returned to the researcher; this produced a response rate of only 30% but on the whole, the researcher was happy with the results of the fieldwork.

6.8.5. Fieldwork reflections

Certain problems were identified during the fieldwork. Firstly, even though the general managers of five-star international chain hotels and some four-star international chain hotels agreed to participate in the interview, they did not allow the questionnaires to be placed in the guests' rooms because they were concerned about preserving the privacy of their customers. Some hotels only allowed 40 to 50 questionnaires to be placed in guest rooms, and a number of guests did not want to fill in the questionnaires, hence the low response rate.

6.9. Analytical methods

In analysing data, Stewart and Shamdasini (1990) state that there is no best approach; the same data can be analysed and synthesised in different ways depending on the particular research or evaluation questions being addressed. Quantitative analysis often utilises descriptive and inferential statistics as well as frequency tables. Such statistics include sample size, maximum and minimum values, averages and measures of variation of the data about the average (Bryman 2008). In contrast, qualitative analysis deals with words (Miles & Huberman 1984). The varieties of approaches - including thematic analysis, ethnography, narrative analysis, discourse analysis, and textual analysis - correspond to different types of data, disciplinary traditions, objectives, and philosophical orientations. However, all share several common characteristics that distinguish them from quantitative analytic approaches (Miles & Huberman 1984). For example, qualitative modes of data analysis provide ways of discerning, examining, comparing and contrasting, and interpreting meaningful patterns or themes (Miles & Huberman 1984).

6.9.1. Analysis of data collected from interviews

The analytical approach which was adopted largely followed the conventions of template analysis, where the researcher produces a list of codes (template) representing themes identified in the textual data. The researcher recognised that the template analysis is not the end product of the analysis; rather, it is a tool which helps to produce an interpretation of the data that does as much justice as possible to its richness within the constraints of this study. Content analysis was also used to analyse some of the data which was collected from interviews; this is shown in Table 8.1, where content analysis is used to summarise the key Thai personality traits that attract tourists.

This section consists of two parts: transcription of the data and the identification of themes, and the analysis of the data.

6.9.1.1. Transcription of the data

All the interviews were transferred from the recording device to a computer and transcribed in Word documents. The interviews that were conducted in English were transcribed in English while the interviews that were conducted in Thai were transcribed in Thai and then translated

into English. All the interviews that were conducted in English were translated word for word and followed the original flow of the interview in order to keep the conversation in context. According to Saunders et al. (2003), extracts from interviews conducted in English should be included verbatim, i.e. no changes should be made to the quotes, no matter how ungrammatical the English might be, as this would risk adding interpretation and thus bias. Including the extracts verbatim allows the readers to judge for themselves and thus potentially to question/reinterpret the findings. The interviews that were conducted in Thai were transcribed word for word in Thai and then translated into English in such a way that the original meaning was preserved to the greatest extent possible. This was double checked against the original transcripts by a bilingual third person in order to reduce any bias.

As Tesch (1990) mentions, transcription should be carried out as soon as possible after the data has been collected; in this study, the researcher transcribed some of the data immediately after it was collected. The familiarity created by reading and re-reading transcripts heightened the researcher's awareness of the 'patterns, themes and categories' (Patton, 1987, p.150) of meanings existing in the data and focused her attention on patterns for the next interviews. However, due to the time-consuming nature of the transcription (particularly in the case of the interviews with non-Thai respondents), some of the data was transcribed at a later stage.

6.9.1.2. Identifying themes and analysing data

A template analysis (King 2004) was used to categorise the data in this study. The term 'template analysis' denotes a particular way of thematically analysing qualitative data (King 2004). Using template analysis, the transcripts were coded into broad themes. Each theme was then subjected to a more detailed manual analysis, which led to the formation of more specific categories within each theme. This hierarchical coding allowed the researcher to analyse texts at different levels of specificity. Broad higher-order codes helped to provide a general overview of the direction of the interview, while detailed lower order codes enabled fine distinctions to be made, both within and between cases (King 2004). Furthermore, in identifying themes, Ryan and Bernard (2003) recommend looking for: repetitions – topics that recur again and again, similarities and differences – exploring entire transcripts and asking how they are similar or different, and linguistic connectors – examining the use of words like 'because' or 'since' because such terms point to causal connections in the minds of participants. By comparing the similarities and differences between sections of themes, some

themes were disregarded as irrelevant to the study, while others were expanded upon and additional themes emerged. These were then pulled together into different categories. As qualitative data is not straightforward to analyse, using the template analysis and the suggestions from Ryan and Bernard (2003) enabled the researcher to begin to organise the analysis. Different themes and sub-themes were produced to categorise the data with reference to the research objectives and interview questions. Therefore, the interview analysis was separated into two main parts:

Part A: Analysis of data collected from the interviews with hotel staff

Data analysis of general managers' sample

Data analysis of front-of-house employees' sample

Part B: Analysis of data collected from the interviews with customers

Data analysis of independent customers' sample

Data analysis of industry intermediaries' sample

Data analysis of business representatives' sample

6.9.2. Analysis of data collected through questionnaire surveys

The data which were obtained from asking the questions in the surveys were analysed using SPSS software for Windows version 15. SPSS for Windows (originally, Statistical Package for the Social Sciences) is one of the most widely used and comprehensive quantitative data analysis packages currently available (Bryman 2008). SPSS can take data from the file and use them to generate tabulated reports, charts, plots of distributions and trends, descriptive statistics, and complex statistical analyses (Samuel 2008). The univariate method was used to describe one characteristic of the sample at a time by using descriptive statistical techniques, namely, frequency distributions. This technique was used to analyse the demographic background of the respondents. The bivariate method was used to describe two variables using cross tabulations and the paired samples T-test method. The paired sample T-test was used to compare customer expectations with their actual experience (expectation vs. satisfaction) (see Figure 6.10).

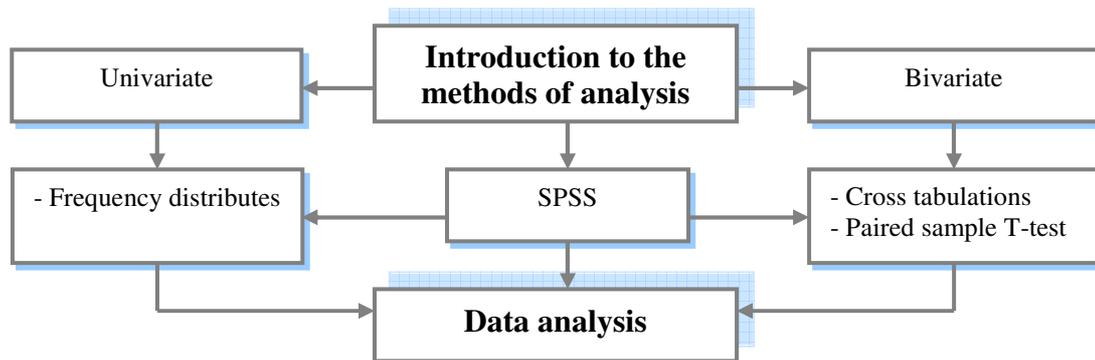


Figure 6.10: Analysis of data collected through questionnaire surveys

6.9.2.1. Introduction to the methods of analysis

This section introduces the methods of analysis used and explains the researcher's choice of analytical technique.

1. Univariate methods of analysis

The core of univariate analysis is the description of the distribution of variables. Descriptive statistics are used to describe the basic features of the data in a study. They provide simple summaries about the sample and the measures (DeVaus 2002). Descriptive statistics are used to present quantitative descriptions in a manageable form. There are three broad ways in which descriptive analysis can be conducted and presented: tabular, graphical, and statistical (DeVaus 2002). There are various methods of analysis. This study focuses only on frequency distribution as is shown below:

1.1. Frequency distribution

A frequency distribution is one of the most common graphical tools which is used to describe a single population. It consists of a tabulation of the frequencies of each value (or range of values). A frequency distribution can be structured as a table or a graph. This study used both tables and graphs to present the distributions. These are presented in Section 7.7. This study used frequency distributions because:

1. They are easy to understand as they provide a general picture of the distribution of a variable
2. It is easy to see trends in the data, particularly when two different data sets are compared.

2. Bivariate methods of analysis

The aim of bivariate analysis is to assess whether or not two variables are related (associated). This study focuses on the statistics that are used to compare the average performance of two groups on a single measure, to see if there is a difference between the two groups and to assess the relationship between two variables. The bivariate method of analysis comprises various methods which are outlined below.

2.1. Paired samples T-test

The T-test is a data analysis procedure to test the hypothesis that two population means are equal. SPSS can compute independent and dependent t-tests to test whether two groups (categories) are different (Saunders et al. 2003). This analysis is appropriate whenever researchers want to compare the means of two groups. The paired T-test is applicable for data collected in a pre-post (before and after) situation. This study used paired samples T-test because:

1. The T-test is easy to understand and simple to conduct
2. It can be used to effectively compare customer expectations with customer satisfaction (see Section 7.7.2).

2.2. Cross tabulation

Cross tabulation (usually called 'cross tabs' for short) is used to observe whether there is a relationship between two variables. Cross tabs are easier to illustrate than explain. It is usually presented as a contingency table in a matrix format. Each cell shows the number of respondents that gave a specific combination of responses, in other words, each cell contains single cross tabulation. This study used cross tabulation because:

1. Cross tabulation can be used with any level of data: nominal, ordinal, interval, or ratio since cross tabs treats all data as if it were nominal (DeVaus 2002)
2. A table can provide more information than a single statistic
3. It can be used to compare two related variables. In this study, cross tabulation was used to compare the gender, age and the purpose of stay of respondents who had visited Bangkok (Section 7.7.2).

With respect to possible issues of bias and validity of the data, the questionnaires were analysed as a whole and then categorised into groups which consisted of 100 questionnaires from Hotel 7, 40 questionnaires from Hotel 8, 60 questionnaires from Hotel 13, 50

questionnaires from Hotel 16, 30 questionnaires from Hotel 11, 20 questionnaires from Hotel 10, 20 questionnaires from Hotel 14, and 29 questionnaires from Hotel 18. The data from each group were analysed separately (see Section 7.7.2).

6.9.3. Combining qualitative and quantitative methods

The research on relationship marketing with customers in the Thai hotel industry utilised both qualitative and quantitative methods. This resulted in the compilation of insightful information on relationship marketing within the Thai cultural context. The contents of the data gathered using quantitative methods covered various themes and were highly concrete and detailed; they complemented the data collected using qualitative methods to a large extent. For instance, in Section 8.4, the data obtained using quantitative methods and the data collected using qualitative methods were compared and contrasted when discussing customers' expectations and satisfaction; the quantitative data helped to support the researcher's arguments. The researcher therefore argues that the utilisation of combined methods helped to provide a solid basis for research into relationship marketing in the hotel industry in Thailand.

6.10. Ethical issues

This study was designed with attention to the ethical dimensions which are involved. The participants were assured of confidentiality at each stage of the process. The research was conducted in accordance with the academic code (Business School's Statement of Principles) of conduct on ethics in research. The confidentiality of the information provided by the respondents was considered highly important, and at the beginning of the interviews, the respondents were assured of the confidentiality of the information they would provide. A tape-recorder was used with the consent of the respondents. A cover letter was presented on the first page of the questionnaire which explained the purpose of the study and the ethical rules.

6.11. Conclusion

This chapter outlined the research philosophy and the two extremes of positivism and interpretivism together with their relative characteristics in relation to research methodology. Positivism adopts a clear quantitative approach to investigating phenomena as opposed to the

approach of interpretivism which aims to describe and explore in-depth phenomena from a qualitative perspective. As already stated, while quantitative and qualitative research methods are often seen as being in opposition, they are frequently used in conjunction with one another. The concept of ‘combined methods’ or ‘triangulation’ was introduced to demonstrate the advantage of this concept to the study of relationship marketing in the context of the hotel industry.

Given the context of the research and the strengths and weaknesses of quantitative and qualitative approaches, it can be strongly argued that a combined method was most applicable in this study. This is because a combined method combines the strengths of each method and ignores their weaknesses, which enabled the researcher to present a meaningful picture of ‘relationship marketing with customers in the hotel industry in Thailand’. Semi-structured interviews were used with 41 participants and questionnaire surveys were used with 369 independent travellers consisting of both international and domestic tourists. In conclusion, researchers are increasingly seeking ways in which data can be treated as objective phenomena while simultaneously reflecting the real world. Combining the advantages of both qualitative and quantitative research methods has the potential to meet this goal.

CHAPTER 7: RESEARCH FINDINGS

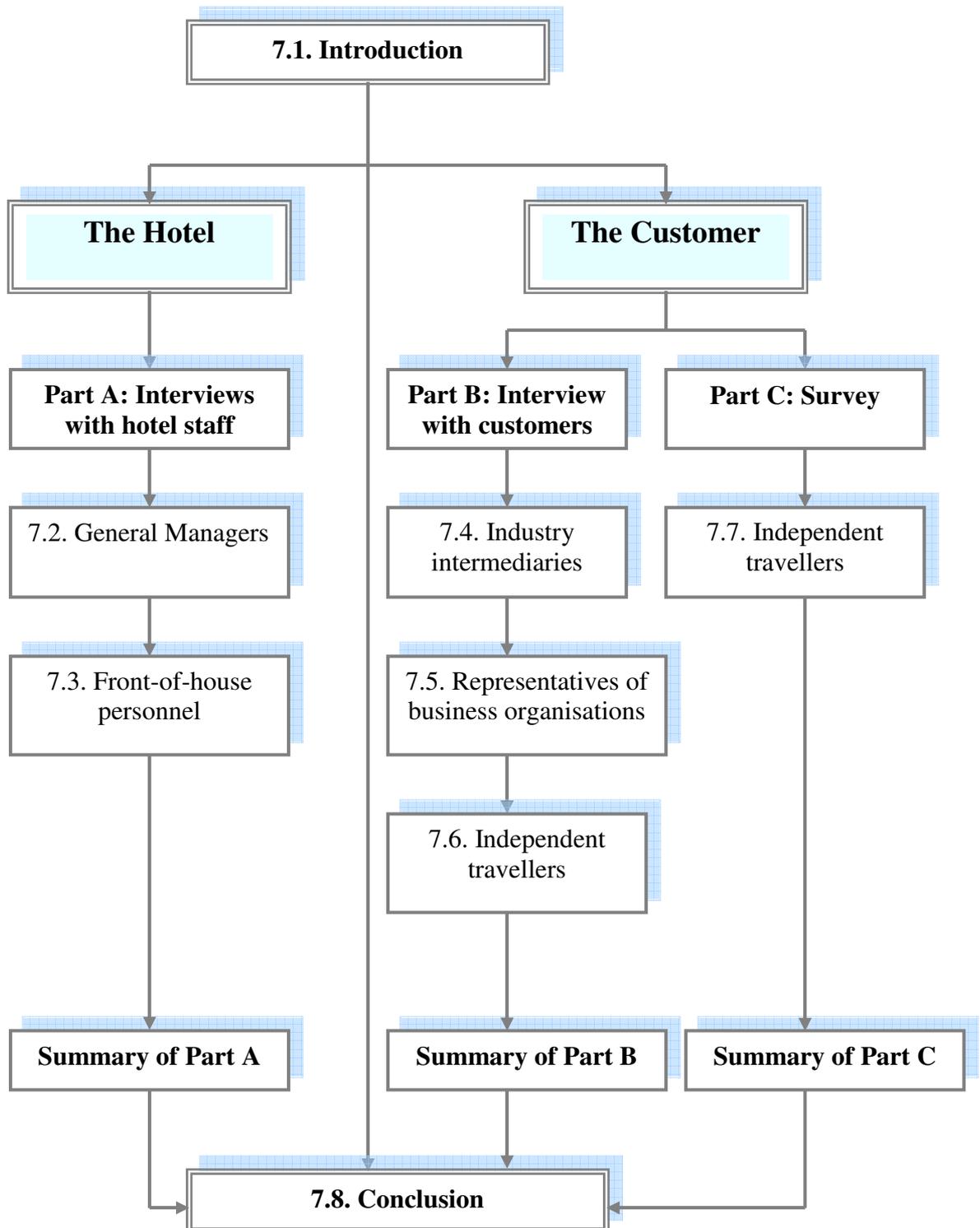


Figure 7.1: Structure of Chapter 7

7.1. Introduction

This chapter analyses the data collected from interviews and explores the scope, nature and forms of relationship marketing in the hotel industry in Thailand. Interviews were conducted with 41 respondents, consisting of eighteen hotel general managers (GMs), six independent customers, six travel agencies, six business representatives, and five front-of-house staff. The chapter also analyses data collected from a survey conducted to measure customer expectations and satisfaction with the hotel service provided. It investigates the attitudes, perceptions, and opinions of customers about the services and facilities provided. A total of 369 out of 1,000 questionnaires were completed by independent travellers. The analysis of the data was divided into three sections:

Part A: Analysis of data collected from interviews with hotel staff

7.2. Data analysis of general managers' sample

7.3. Data analysis of front-of-house's sample

Part B: Analysis of data collected from interviews with customers

7.4. Data analysis of independent customers' sample

7.5. Data analysis of industry intermediaries' sample

7.6. Data analysis of business representatives' sample

Part C: Analysis of data collected from customer surveys

7.7. Data analysis of independent customers' sample

The data analysis of the general managers' sample is presented in Part A. It includes an explanation of the attitudes, perceptions, views and opinions of the general managers with respect to their relationships with customers. Part A also presents an overview of the data analysis conducted on the sample of front-of-house respondents, as well as a discussion about their attitudes, perceptions, views and opinions with respect to their relationships with both customers and hotels. Part B outlines the analysis conducted on data collected from interviews with industry intermediaries, representatives of business organisations, and independent customers. A presentation of their attitudes, perceptions, views and opinions with respect to their relationships with hotels is also displayed in this section. Part C presents an overview of the analysis conducted on data collected from customer surveys. It focuses on customer expectations and their level of satisfaction with their relationship with the hotel.

This study refers to the participants in the research as ‘respondents’. All quotes are written in ‘Times New Roman size 10 surrounded by single quotation marks’ to indicate that these are the words of the respondent, rather than the words of the researcher. The following abbreviations are used in order to present the findings more concisely.

Abbreviations

GM: general manager

FOH: front-of-house personnel

TG: travel agency or industry intermediary

ROB: representatives of business organisations

IC: independent customer/ traveller

Part A: Analysis of data collected from interviews with hotel staff

Part A begins with profiles of the eighteen hotels which participated in this study and proceeds to analyse the data collected from the sample of general managers who were interviewed. This is followed by a presentation of the data analysis conducted on the sample of front-of-house personnel. The section ends with a brief summary.

Profiles of hotels

The participating hotels are divided into three groups. Group One consists of national affiliated hotels, Group Two consists of international affiliated hotels, and Group Three consists of individually owned hotels. Each hotel is coded with a unique number to maintain the confidentiality of the respondents. The study categorises the hotels into separate groups in order to assess the awareness of the concept of relationship marketing in different types of hotels, and to compare and contrast existing methods of creating and managing relationships between hotels and customers.

Explanations of words

‘Full facilities’ means that all guest rooms are fully equipped with facilities such as air conditioning, a variety of TV channels, a range of 24 hour in-house movie channels, IDD telephone, high-speed internet access, a trouser press, a fully stocked minibar, a hair dryer, a clock radio, a private safe, a tea/coffeemaker, and a private bathroom supplied with bathrobes and slippers (THA 2008).

‘Partial facilities’ means that all guest rooms are equipped with air conditioning, internet access, a variety of TV channels, a minibar, a hair dryer, a clock radio, a private safe, a tea/coffeemaker, and a separate bath and shower (THA 2008).

‘Basic’ means that all guest rooms are equipped with air conditioning, TV channels, a hair dryer, a clock radio, a desk, a mini bar, and a separate bath and shower (THA 2008).

‘Central business area’ refers to a business, shopping and entertainment district in Bangkok called Sukkumvit road and Siam Square.

‘Five-star hotels’, ‘four-star hotels’, and ‘three-star hotels’ are defined according to the Thai Hotels Association (THA 2008).

Group One: International Affiliated Hotels

Six international affiliated hotels participated in this study, three of which are five-star hotels and three of which are four-star hotels. These six hotels each contain more than 200 rooms; Hotel 11 offers more than 1,000 rooms (see Table 7.1). Four of them are located in a central business area with easy access to shopping centres and entertainment and close to the expressway and underground. With respect to the facilities provided (see Table 7.1), all the international chain hotels are equipped with almost all facilities in order to ensure customer satisfaction and loyalty, and to sustain competitive advantage. All the guest rooms in the four- and five-star international chain hotels offer full facilities. Two of the hotels contain more than nine restaurants, one of them contains seven restaurants, one contains five restaurants, and two contain three restaurants. Hotels 2 and 5 each contain more than nine conference and meeting rooms (see Table 7.1).

Table 7.1: Group One: International Affiliated Hotels

	Hotel 1	Hotel 2	Hotel 3	Hotel 4	Hotel 5	Hotel 6
Star						
Five-star						
Four-star						
Three-star						
Room						
More than 500						
401-500						
301-400						
201-300						
101-200						
1-100						
Location						
Central business area						
30 min walk						
Far from central business area						
Restaurant in hotel						
More than 9						
7-9						
5-7						
3-5						
1-3						
none						
Facilities in guest room						
Full facilities						
Partial facilities						
Basic						
Other Facilities						
Butler service						
Car rental service						
Airport pick up/drop off						
Swimming pool						
Spa/massage						
Free fitness centre						
Dry cleaning and laundry						
Salon						
Express check-in/check-out						
Free room broadband internet						
Wireless Internet service						
Parking						
Disabled facilities						
Business centre						
Concierge service						
Conference/meeting room						
More than 9 rooms						
7-9						
5-7						
3-5						
1-3						
None						

Group Two: National Affiliated Hotels

Six national affiliated hotels participated in the study, one of which was a five-star hotel, three of which were four-star hotels, and two of which were three-star hotels. These six hotels had various room capacities, ranging from 50 rooms to more than 500 rooms. Four of these hotels were located in central business areas. Similarly to international chain hotels, Hotels 7 and 11 also provide their guests with almost a full range of facilities. The other four hotels also provide various facilities to their guests, and only two three-star hotels are equipped with basic facilities. Hotel 5 contains more than nine restaurants, Hotel 10 contains seven restaurants, and Hotel 12 contains five restaurants. Each hotel contains more than two conference and meeting rooms (Table 7.2).

Table 7.2: Group Two: National Affiliated Hotels						
	Hotel 7	Hotel 8	Hotel 9	Hotel 10	Hotel 11	Hotel 12
Star						
Five-star						
Four-star						
Three-star						
Room						
More than 500						
401-500						
301-400						
201-300						
101-200						
1-100						
Location						
Central business area						
30 min walk						
Far from central business area						
Restaurant in hotel						
More than 9						
7-9						
5-7						
3-5						
1-3						
None						
Facilities in guest room						
Full facilities						
Partial facilities						
Basic						
Other Facilities						
Butler service						
Car rental service						
Airport pick up/drop off						
Swimming pool						

Spa/massage						
Free fitness centre						
Dry cleaning and laundry						
Salon						
Express check-in/check-out						
Free room broadband internet						
Wireless Internet service						
Parking						
Disabled facilities						
Business centre						
Concierge service						
Conference/meeting room						
More than 5 rooms						
7-9						
5-7						
3-5						
1-3						
None						

Group Three: Individually Owned Hotels

Six individually owned hotels participated in the study, one of which was a five-star hotel, three of which were four-star hotels, and two of which were three-star hotels. These six hotels have various room capacities, ranging from 50 rooms to more than 500 rooms. Two of them are located in central business areas. Even though some of them are categorised as small hotels, they present themselves as ‘boutique’ hotels to attract tourists. As is shown in Table 7.3, these individually owned hotels are equipped with a wide range of facilities. Hotel 13 is a five-star hotel that provides its customers with almost a full range of facilities, and all of their rooms are uniquely decorated. Hotels 14 and 18 are four-star hotels and also offer full facilities in all guest rooms. Hotel 15 contains 7 restaurants, Hotel 13 contains 17 restaurants, Hotel 18 contains 1-3 restaurants, and Hotels 14 and 16 do not contain a restaurant. Most of the hotels have more than one conference and meeting room; Hotels 13, 15, and 17 contain more than 9 conference and meeting rooms, and only two hotels do not have a conference or meeting room at all (Table 7.3).

Table 7.3: Group Three: Individually Owned Hotels						
	Hotel 13	Hotel 14	Hotel 15	Hotel 16	Hotel 17	Hotel 18
Star						
Five-star						
Four-star						
Three-star						
Room						
More than 500						
401-500						
301-400						
201-300						
101-200						
1-100						
Location						
Central business area						
30 min walk						
Far from central business area						
Restaurant in hotel						
More than 9						
7-9						
5-7						
3-5						
1-3						
none						
Facilities in guest room						
Full facilities						
Partial facilities						
Basic						
Other Facilities						
Butler service						
Car rental service						
Airport pick up/drop off						
Swimming pool						
Spa/massage						
Free fitness centre						
Dry cleaning and laundry						
Salon						
Express check-in/check-out						
Free room broadband internet						
Wireless Internet service						
Parking						
Disabled facilities						
Business centre						
Concierge service						
Conference/meeting room						
More than 9 rooms						
7-9						
5-7						
3-5						
1-3						
none						

7.2. Data analysis of general managers' sample

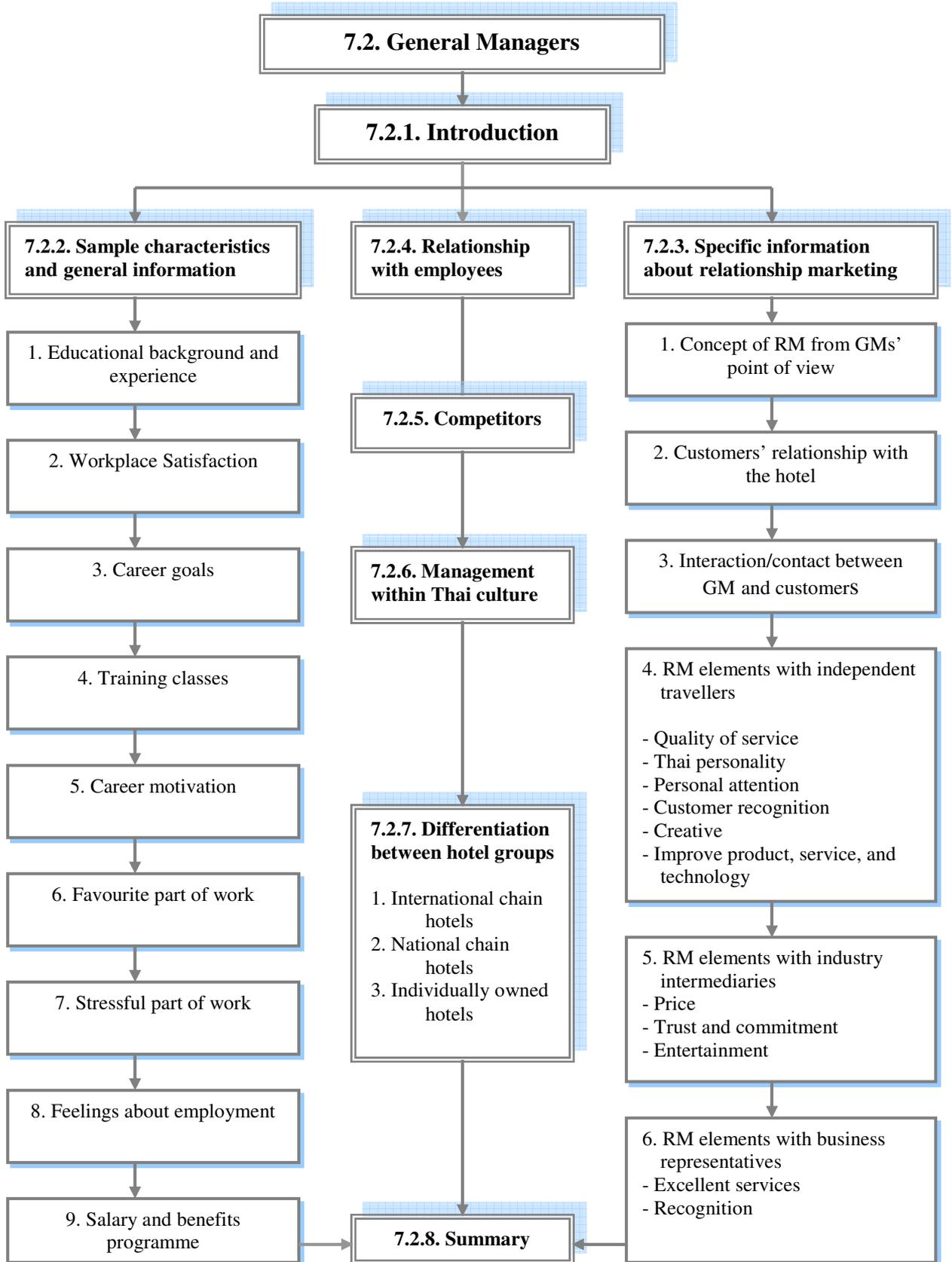


Figure 7.2: Structure of data analysis of general managers' sample

7.2.1 Introduction

The analysis was conducted on the data collected in eighteen semi-structured interviews with the general managers from each hotel. Themes and sub themes were produced to categorise these data with reference to the research aims and objectives. ‘General Managers’ are abbreviated to ‘GM’ and each general manager is allocated a unique number from 1 to 18.

Figure 7.2 presents the structure of the data analysis of the general managers’ sample. The left side of the diagram lists the sample characteristics and general information about the GM respondents in relation to their work in the hotel. The right side of the diagram presents specific information about relationship marketing. This section explores the concept of RM from the GMs’ point of view, the customer’s relationship with the hotel, interaction/contact between the GMs and their customers, and RM elements in the hotel’s relationships with industry intermediaries, business representatives and independent customers. In the centre of the diagram, the relationship between the GMs and their employees is examined, followed by a discussion of the hotel’s relationship with its competitors, a review of the management within the Thai cultural context and the differences between hotel groups from the GMs’ point of view. In the following sections, the study carries out an analysis of the GMs’ sample by following the logical sequence presented in the diagram.

7.2.2. Sample characteristics and general information

The following sections present sample characteristics and general information about the respondents in relation to their work and workplace. This includes their educational background and work experience, workplace satisfaction, career goals, training class, career motivation, favourite part of work, most stressful part of work, and their feelings about their employment, salary and benefit programme.

7.2.2.1. Educational background and working experience

All the foreign GMs who were interviewed have a professional education from well-known hotel management schools. In contrast, the majority of Thai GMs do not have a professional education in hotel management, although most of them have more than 10 years’ working experience in the hotel industry. All the GMs who were interviewed have spent more than a

year working as general managers in hotels. Seven of them have spent more than 5 years working as a general manager, and three of them have spent more than 15 years in this role.

7.2.2.2. Workplace satisfaction

All eighteen GMs were generally satisfied with their position, salary, treatment and the working environment provided by the hotels. They enjoyed the feeling of meeting challenges and achieving success in the workplace. They described the hotel as a workplace to which they had to learn to adapt.

‘I think working in all hotels is challenging. You cannot say that you like or dislike it. I love working in every hotel, because every one of them has its own management’ (GM2).

7.2.2.3. Career goals

The GMs had various goals for their career. Some of them revealed that their ambition was to be promoted to a higher position in management, become a GM in a bigger hotel, or own a hotel of their own. Some GMs claimed that they had already reached their goal and had no desire to achieve any more. Some GMs were concerned with improving the products and services on offer at their hotels or improving the ranking of the hotel as illustrated in the following quote.

‘Wherever I go, I always accept what I am and who I work with and try my best to make the business grow. It is my responsibility and ethic. I always want to do my best and I think service is a very important aspect for the hotel. I have tried my best to improve products and services for this hotel’ (GM12).

A few GMs mentioned that they wanted to be the best they could be; they wanted their guests to be happy and return to the hotel in the future. They wanted their employers and employees to be happy and wanted their employees to go on to achieve success in their careers as quoted below:

‘My career goal is to develop young people to take more responsibility and grow in the industry. In my 15 years in Thailand, there have been many highlights. I think the greatest compliment is that there are people who I used to work with who are now working in top

positions in many big hotels in Thailand. I think they have spent their time well and they are successful in their careers' (GM14).

7.2.2.4. Training class

The majority of GMs have attended training classes for career development, and they acknowledged the importance of attaining new knowledge in order to successfully manage a hotel. Two GMs, however, admitted that they had never attended any training classes since becoming a GM. They explained that they used their working experience as a knowledge base for management, and acquired information through various resources such as the internet and magazines.

'The higher the position, the less training you get. But you have to train others. I think it is very important that you must never stop learning' (GM7).

7.2.2.5. Career motivation

The GMs had a range of career motivations which included the enjoyment of challenges, the pursuit of financial success, working to support a family, and a desire for promotion. It is worth noting that a number of GMs also placed importance on the overall success of the hotel. The improvement of their hotel provided them with a sense of achievement and encouraged them to pursue an innovative and creative career.

'Honestly, my family is a factor in my need to work. I have to support them. But in terms of my career, I have always been driven to do my best to seek and overcome challenges. I like to make a difference, hopefully a positive difference. So, really, my career is just getting better and better. I want to contribute more and be the best I can be. I'm hungry to know (and) hungry to question, and I want to do better. So to do better, I need to know, (and) I need to grow' (GM16).

7.2.2.6. Favourite part of work

Out of the eighteen GMs who were interviewed, one GM declared that his favourite part of work was getting to know more people. Six GMs claimed that the variety of their work was highly appealing, while four GMs claimed that the sales, marketing and maintenance of the hotel were their favourite areas of work. Four GMs enjoyed the feeling of being challenged,

and two GMs stated that their favourite part of the job was being part of a team and seeing it grow, mature and succeed.

7.2.2.7. Stressful part of work

The majority of GMs admitted that a number of issues related to the hotel were relatively stressful. Such ‘issues’ included employees not working well, substandard quality of employee work, the failure of the hotel to meet customer expectations, and insufficient time to finish work.

‘There is not enough time in the day to fulfil my role as well as I would like to. 24 hours is not enough to do the job. So I think the most stressful thing is fighting for the right balance between professional commitments and making time for myself and my family. I am trying to fight for that balance’ (GM7).

7.2.2.8. Feelings about employment

The words used to describe the GMs’ feelings about employment included terms such as ‘challenge’ (3 GMs), ‘happiness’ (3 GMs), ‘motivation’ (3 GMs), ‘fun’ (2 GMs), ‘satisfaction’ (2 GMs), ‘creative’ (1 GM), ‘enjoy’ (1 GM), ‘fulfilment’ (1 GM), ‘inspiration’ (1 GM), ‘learning’ (1 GM), ‘pressure’ (1 GM) and ‘stressful’ (1 GM).

7.2.2.9. Salary and benefit programme

Most of the GMs interviewed expressed satisfaction with the salary and benefit programmes provided by the hotel. However, two of them stated that they were only ‘fairly satisfied’; they felt that they deserved better treatment in view of what they had achieved and contributed to the hotel.

In summary, this section presents a general overview of the GM sample by describing the demographic characteristics and general information related to the respondents’ workplace. Insights into the specific information about relationship marketing which was obtained from interviewing the GMs will be presented in the following section.

7.2.3. Specific information regarding relationship marketing

The following sections discuss specific information regarding relationship marketing. This includes an exploration of the concept of RM from the GMs' points of view, the customers' relationships with the hotel, the interaction/contact between the GMs and their customers, and the RM elements in the relationships of hotels with independent customers, travel agencies, businesses and competitors. The findings are based on an analysis of GMs' attitudes, perceptions, views and opinions regarding customer-hotel relationships.

7.2.3.1. Concept of RM from general managers' points of view

Of the eighteen GM respondents who were interviewed, seven claimed that they had never heard of 'relationship marketing'. However, they appeared to understand the concept of relationship marketing and claimed to have had experience of implementing it on a practical level. The other eleven GMs stated that they had heard of or read about relationship marketing, although a few of them mistakenly used the term 'relationship management' and failed to adequately explain its meaning.

The Thai GMs who were interviewed emphasised the importance of maintaining strong relationships with all of one's business contacts, namely, suppliers, competitors, employers, employees, the government, the community, and customers. This could be attributed to the fact that social networks are traditionally of great value in Thai society. Below are a few quotes from Thai GMs about relationship marketing in Thailand:

'Indeed, in Thailand, we have had this kind of relationship for a very long time. It is called networking. We don't see our competitors as 'competitors', but as 'business partners'. Sometimes we help each other by updating information and meeting to discuss situations. I think this is what we call a 'relationship'. If you are in the hotel business in Thailand, you have to have networks, you have to have connections, and you have to have friends. These factors can lead to success for your business, and can also help you to solve problems' (GM13).

All Thai GMs believed that maintaining strong social networks with one's contacts would allow them to gain access to unique opportunities which would otherwise be very difficult to achieve. They believed that relationships should be built with a strong sense of enthusiasm, responsibility, mutual understanding, commitment and reciprocity. According to the

respondents, stronger business relations results in more available resources and advantages for the hotel. Some of the general managers who were working at local hotels, for example, worked with their competitors to compete with international chain hotels (see quote above) by sharing information as well as helping each other in areas such as marketing, human resources, and finance.

One GM who was working at an individually owned hotel argued that relationship marketing is of particular importance in smaller hotels which have less power and reputation than chain hotels. In order to succeed in such a competitive marketplace, he argued that it is crucial for small hotels to maintain strong relationships with all parties:

‘Nowadays I still maintain a good relationship with those companies that used to help us at the beginning. Whenever they ask for favours, I always try to help them. Sometimes it is quite difficult to help, but I still try to offer them something. We have to be friends with everyone if we want to grow in the market’ (GM5).

Foreign GMs also mentioned the importance of RM. They admitted that because of the emphasis placed on relationships in Thai culture, relationship marketing is very important. However, foreign GMs believed that the purpose of relationship marketing was to increase the profitability of the business; they believed that relationship marketing should be balanced by other considerations - marketing, responsibility and performance, as quoted below:

It (RM) is important because I think in a competitive marketplace, you can have a competitive advantage if you have a good positive relationship with the customers and the hotels, so I think yes, it is an important aspect now. I think in the Thai culture, relationship marketing has been taken too far, to the point where relationships have become sacred to the hotel: the importance of relationships has become so strong that the wishes of the customers become more important than the benefits the hotel receives from these relationships. I think the challenge is that it is very natural within the Thai culture to establish very strong relationship marketing, but they have to combine that with the checks and balances of marketing and responsibility and performance to the point where the hotel is in fact benefiting from the sales and marketing aspect of that person’s work, so if you just rely totally upon relationship marketing, then I don’t think it is in the best interest of the hotel or the customer.’ (GM14).

All GMs agreed that RM is critical to the achievement of success in the hotel business. A GM who has a high number of business relations can provide a wider range of resources and advantages to the hotels in which they work. The following is a quote provided by GM9:

‘Yes, absolutely, it (RM) is very important because we are dealing with relationships. We are dealing with customers and agencies and you need to know people. People feel comfortable booking (rooms/conferences/meetings) through GMs because they know them and feel comfortable dealing with them. This is how you get more business. The more people GMs know, the more advantages the hotels earn.’ (GM9).

According to the GMs from Hotels 2, 4, 5, 6, 7, 8, 10, 11, 10, 14 and 18, hotels generally incorporate customer loyalty into their corporate visions, missions, and goals. RM forms a key component of their company philosophy and helps to direct the behaviour of the hotel staff. The GMs from international chain hotels claimed that there was a solid infrastructure in place to ensure the effectiveness of RM. The head offices of these international chain hotels apparently provide a high level of guidance and assistance for the improvement of RM activities in their branches.

Most GMs, however, admitted that there was a lot of room for improvement with respect to incorporating relationship marketing into company strategies, which they believed would enable them to achieve more success. GM18 claimed that his company aimed to be the leading national chain hotel by 2010 by establishing successful long-term hotel-customer relationships.

7.2.3.2. General managers’ views of customer relationships with the hotel

All GMs agreed that hotels should value the importance of their customers and care for their needs. Five GMs indicated directly that it was the number of customers who visited the hotel which determined their salaries. A number of GMs engaged in RM by trying to understand customers’ needs based on the feedback they received. For instance, GM16 claimed that his hotel directly incorporated elements of RM into their management technique by listening to customer feedback, and believed that this would help to increase customer satisfaction and maintain customer loyalty. He also declared that his key priority was the retention and loyalty of customers as shown below:

‘Yes, we have started to put relationship marketing first by understanding what our customers need, and to do this, we have to get customers’ feedback. So we create a lot of elements as a result of customers’ feedback on our organisation, gathered through questionnaires. We really want to develop through customers’ feedback. We want to make sure that the hotel goes the right way about improving its products and services. We also want to make sure that we have an address system so that we can ensure customer satisfaction, and repeat business through meeting their needs and dealing with any issues or problems to maintain loyalty and customer satisfaction. This process requires a very long period of evolution, but we have a very strong hotel management.’ (GM16).

When asked about their expectations from customers, most of the GMs answered that they expected customers to appreciate the products and services provided by the hotel, and hoped that they would return in the future.

When asked about customer expectations, all the GMs from five-star international chain hotels agreed that their customers had high expectations of the service provided. GM6 said that there were various useful responses which he had gathered from customer feedback which suggested that hotels should respect customers and give them constant attention. Hotel staff should be friendly, enthusiastic and professional when serving customers, hotel facilities should be all-inclusive, and highly efficient service should be provided to customers. He also suggested that customers constantly look forward to the exemplary level of treatment which is associated with five-star international hotels.

GMs from hotels with other star rankings claimed that customers generally expected a warm welcome, feelings of home, enthusiastic service, friendly staff, customer recognition, and good value for money. One GM in the statement below described the difference in customer expectations between his hotel and five-star hotels. He claimed that he was aware of the advantages and disadvantages of his hotel and admitted that his hotel was not able to provide the products or services featured in five-star hotels. He believed, however, that his hotel was also capable of providing a high quality of products and services and suggested that the hotel should strategically develop their own features to gain competitive advantages and win customers. The GM clearly demonstrated the role played by RM in the competition that exists between hotels of different rankings.

‘We are very happy to be a four-star product because we don’t have the grand formality of products found in five-star hotels, but we believe we have professionalism and high quality services, decor and facilities. So we believe very strongly that we have a fine product, but it (the hotel) is also the kind of place where you can come to relax and be yourself. You can get the professional service you want. It’s not formal. It’s not grand. It’s modern. It’s friendly. It’s comfortable and you can be yourself, but get the service you want’ (GM16).

The responses obtained from the interviews demonstrated that most of the GMs have a clear understanding of customers’ expectations from hotels. They appeared, however, to be very concerned that their employees did not have a similar understanding of customers. They felt frustrated when customers complained about the failure of the hotel to meet their needs due to misunderstanding by hotel employees. Most GMs believed that it was their responsibility to improve the ability of employees to identify customer needs and wants. They claimed that taking advantage of related RM training programmes was useful for this purpose.

All the general managers emphasised the importance of customer feedback. They recognised that in order to retain customers, the hotel has to understand the customers’ needs and wants, and customer feedback provides valuable information which helps to build on this understanding and improve customer satisfaction.

International chain hotels have specific customer-care teams or departments which review customer feedback and react accordingly. The head office also regularly visits hotels in the group to check that they are being run properly. Similarly, national chain hotels routinely report customer feedback to their management departments. The GMs meet with the officers of their management departments once a month to hear an official report about the current situation and existing problems, which gives them a chance to develop suitable strategies. In the case of individually owned hotels, the GMs report directly to the owner or the CEO. Due to the size of the hotels, the GMs and other officers from senior management levels have the opportunity to directly receive feedback from customers. The GMs are much more likely to be directly involved in dealing with any issues raised by this feedback.

A ‘guest satisfaction survey’ is used to measure customer satisfaction in all hotels. Some hotels measure this on a daily basis and evaluate the results once a month. Some of them measure customer satisfaction once or twice a month, while in other hotels it is measured

every two months. In most international and national chain hotels, these surveys are sent directly to the head office. The head office then evaluates the results and gives feedback to the hotels. In some hotels, guest comment books are also provided. The results from the surveys are used to improve the hotel's products and services to meet customer expectations.

According to the statements made by the eighteen GMs, the most common positive feedback received from guests concerned the level of service provided - warmth and friendliness, Thai hospitality, quick responses to problems, cleanliness, range of facilities, and convenience of location.

Unsurprisingly, many GMs demonstrated reluctance when asked about the negative feedback they received; some avoided mentioning negative feedback altogether. However, some of the negative comments which were mentioned were that the hotel rooms were too old, the food was of a low quality and there was not a broad range of food offered at breakfast.

All the GMs claimed that they took customer feedback very seriously and endeavoured to react in a quick and efficient manner. They recognised that the issues raised might lose them customers or might damage the reputation of the hotel by negative word-of-mouth. Customers appear to be generally pleased by quick and effective reactions, and interpret this as a sign of respect and care. This encourages them to increase their loyalty to the hotel as a result.

‘Most of the time, customers who have complaints will come back to the hotel if we provide excellent solutions to their problems. As long as we treat them well and sincerely help them to solve the problems, they will definitely come back again’ (GM10).

A few years ago, hotels frequently used comment cards and questionnaires to allow guests to provide feedback. Any negative comments remained private. However, today, a bad hotel review (increasingly accompanied by videos or photos) can make the rounds of various travel-related Internet sites and be viewed by potential guests around the world. ‘You can have thousands and thousands of people see a complaint, so the price of an unresolved complaint is huge. The negative ones will kill you’ (GM18). Some GMs take word-of-mouth very seriously and try to do everything they can to improve their products and services. ‘As we fine-tune, and guests understand what they can expect from our unique environment, it will improve guest experience and be reflected in the travel blog sites’ (GM18).

One GM from a national hotel chain made an interesting comment on the negative feedback received from customers. He claimed that Asian and Thai customers were too demanding and frequently complained that they did not receive the same level of service as foreigners (i.e. tourists from Britain, Europe, America or Australia). He believed that this was because the expectations of Asian customers are very high and he felt that they would complain no matter their level of treatment. Another GM made a similar comment about customer expectations. He said:

‘...this is a very interesting point. I will have to explain a little bit, but it relates to every single hotel in which I have worked. People today travel a lot. They stay in a lot of hotels. In their minds, they have a perfect hotel, which is made up of a bit of this and a bit of that. They walk into the hotel and they have an expectation; when your hotel does not meet their expectations, then they will not be very positive. It doesn’t mean the hotel did anything wrong: just that they have different expectations. For example, I could say ‘I have travelled to Beijing and they do this - why don’t you do this in your hotel? Or I stayed in London and they do this: why don’t you do this, which I think would be better?’ I’m sorry, but this is Bangkok and this what we do and what we advertise. We cannot be all things to all people. It’s impossible for any hotel, but we think we can be the right thing to the right people in the right market, and that’s the way we look at it’ (GM16).

7.2.3.3. Interaction/contact between general managers and customers

Most of the GMs who were interviewed endeavour to have direct contact with their customers. They meet with their customers on a regular basis and strive to satisfy their demands, no matter how trivial. However, they complained that the large amount of management work distracted them from directly engaging with customers. It is worth noting that larger hotels are generally less likely to have direct contact with customers. In a quote below, GM16 claimed that he tried to maintain some distance from customers or ‘working partners’, as he termed them. He worried that close personal relations might influence his normal working role in managing the hotel.

‘No, I have a sales department that is very much involved with this (contact with the customers)...So it’s important that I get close enough, but not too close. I want to be close enough to our working partners that they know who I am and they know where are we going, but I don’t want to get too close from a single booking, so there has to be a balance’ (GM16).

Most GMs admitted that they only rarely had to deal directly with problems raised by customers. The normal procedure is to send lower level staff (front-of-house staff and/or front office managers) to deal with the problem. If the problem is too difficult to resolve, the case would then be passed to the senior management team and then to the GM.

The majority of GMs agreed that the empowerment of employees is important. They claimed that empowerment should focus on providing employees with the knowledge of how to meet the needs of customers and resolve problems efficiently. Employees would then be able to work more efficiently and skilfully in customer relations and customer satisfaction would be increased. The experience of GM14 reinforced the importance of empowerment. Some guests that GM14 knew very well often felt reluctant to bring their problems to him. They regarded him as a good friend and were therefore unwilling to bother him. In such a situation, the capabilities of other hotel staff is of paramount importance.

‘...sometimes I let the employees solve the problem first and empower them to do so. I tell them that as an employee, one can do certain things to make the problem go away, so that you don’t have to say “I have to talk to the boss” all the time. In some cases, the problem can be solved very quickly, but if it is difficult for them, then I will intervene’ (GM14).

The GMs suggested several ways in which to resolve customer problems. Firstly, if the problem was the fault of the hotel, the GM would apologise on behalf of the hotel. They would then compensate the customers accordingly - some of them might offer free lunch or dinner, while others would offer a free room or a free upgrade to a better room. ‘...when problems arise, it is our intention to solve them to the customer’s satisfaction, to provide whatever he or she needs and try to turn the situation around before he or she leaves, so he or she will forgive us and be satisfied, and will come back again’ (GM7). GMs, particularly those from chain hotels, had a strong belief in the connection between customer loyalty and customer trust in a hotel to the extent that if a customer believes that a hotel is not trustworthy, they will stop coming back. The damage caused to the reputation of the hotel might be aggravated by word-of-mouth:

‘Absolutely - we will offer them something if the problem is our fault or a fault of the hotel services. First, I believe customer loyalty is linked to trust and that if we break or lose this trust, we have lost everything, so if we are fault, we will accept this and say ‘hey, we are fault’. We won’t hide or make excuses if we have got it wrong, but if we didn’t get it wrong,

we will explain why, and if the customer's expectations are beyond what we offer and we've done nothing wrong, then I'm sorry but there has to be a balance' (GM16).

A number of GMs believed that it is important to have regular direct contact with both customers and subordinates. Direct involvement with customers improves customer relationships. Many of the GMs suggested that the involvement of senior management was highly valued by customers and regarded as an important measure of customer care. Customers feel impressed by direct attention from the GMs or other senior officers. According to the GMs, customers have a very positive image of hotels which show them a high degree of personal attention. They feel that this is a sign of respect and consideration, and is especially true in the case of Thai and Asian customers.

The GMs also felt that direct involvement improves employee relationships. Constant contact with employees allows the GM to build trust and increase the employees' sense of belonging, thus leading to an improvement in hotel management. Direct communication with both customers and employees provides first-hand information which is of particular importance with regards to relationship marketing and human resources.

'There are guests who want to see the GM. There are people who want to sign a contract with us because the GM takes care of them and they are happy. In that sense, the GM is important, and I think there are guests who want to be reassured that they will get personal care from the GM of the hotel. It would be wrong if I were to just sit in my office, so I try to find a balance, because I know how important the GM is. With the staff as well, sometimes I have to go to see them and make sure they know that I care about them, and when I see what is going on, I think I can make an impression' (GM6).

7.2.3.4. RM elements with independent travellers (independent customers)

This section explores the elements of relationship marketing which exist in the relationships between hotels and independent customers. It is clear that hotels in Thailand have attempted to take advantage of the capabilities of RM and have applied them to improve and maintain customer-hotel relationships. There were six RM elements generated from this study, namely, quality of service, the appealing nature of the Thai personality, personal attention from staff, customer recognition, creativity, and improved products, services, and technology. These six RM elements are listed below, with those most commonly cited by the GMs appearing first.

1. Quality of service

Most of the GMs agreed that service is a key determinant of customer loyalty, and therefore plays an important role in the service-profit chain. In addition, the level of service and the way it is delivered by the front-line staff is an important source of differentiation and may provide a hotel with competitive advantage. Furthermore, GMs recognise that front-line staff play a key role in anticipating customers' needs, customising service delivery, and building personalised relationships with customers, which ultimately enhances customer loyalty. GM1 suggested that the service provided should be equivalent to the amount of money the customer is paying.

'I have to make sure that the staff treat the customers well and have good feedback, and make sure that the hotel is well maintained so that people are happy to stay here, because if they are happy, they will come back. It is important to provide what they need quickly and treat them with an appropriate manner, and make sure they always feel welcome. The most important factor is that the service we give to them justifies the price, so they will be happy to come back' (GM1).

Therefore, in the view of the GMs, maintaining an excellent level of service is the key way to retain customers and maintain their loyalty. The selection, training, motivation and maintenance of employees also need to be focused on. The interviews revealed that some hotels had repeat customers that had returned to the hotel for more than 20 years purely because the customers liked the service provided by the hotel staff.

'I think high-quality service from the staff is very important. New trend concepts will become old, but high-quality service will stay with the hotel forever. I try to keep good staff in the hotel for as long as possible and do my best to support them to achieve better positions whenever appropriate' (GM5).

A number of GMs shared the opinion that in order to satisfy customers' needs and wants and encourage them to return, a hotel needs to focus on providing excellent service which meets or even exceeds customers' expectations. Service delivery must be quick and efficient. If hotels cannot fulfil their promises, they will disappoint their customers and lose customer loyalty. An example provided by GM16 described one Australian family who stayed in his hotel and were moved six times in four days due to renovation work in the building; however, the hotel staff were not honest with the guests, and the guests found out the reason for the

disruption themselves. After discovering the problem, GM16 said to his guests, 'look we broke trust we have got it wrong I don't know how you are going to trust us again but I want you two to stay'. He eventually invited them to stay in two executive suites for one full week with no charge. Although this cost the hotel a lot of money, he felt that it would help him to regain their trust in the products and services of the hotel. He said 'Was it worth it? I think so because I want everybody in this hotel to leave satisfied if we get it wrong we get it wrong. We have to be honest. We have to keep our promises, we have to trust this'. Therefore, he suggested that hotels should be cautious about the promises they make and strive to deliver services effectively and efficiently. The quotation below is another comment made by GM14:

'First of all, you have to try to meet their expectations so they consider that you provide good value for money. Try to keep your promises and do everything to deliver a service that meets or exceeds the customers' expectations. The most important thing in encouraging customers to come back is for employees to have the attitude that they will do everything to meet the customers' expectations (GM14).

2. Thai personality

The majority of GMs, especially those were foreign, agreed that the warmth, hospitality and courtesy of Thai people facilitated the provision of excellent services. They said that Thai people are friendly, helpful, nice, kind, and down to earth which is a key attraction for tourists. Thai staff treat their customers like family and make them feel at home during their stay in the hotel. 'Thai people have a natural sense of hospitality. This is the case no matter where customers stay, because Thai people are like that. I say there is no such thing as a five-star smile or a three-star smile: these are Thai smiles' (GM9). Moreover, according to GMs, there are many successful hotels outside Thailand that are managed by Thai people and employ Thai staff. This is true of hotels in Dubai, the UK, and the Maldives (specific names are not mentioned due to confidentiality). Below are a few comments about Thai personality and Thai culture which were made by the GMs:

'I think many foreigners - and 97% of our guests are foreigners - are absolutely won over by the Thai culture, with its kindness and friendliness. I have to express my own point of view. I travel the world a lot and I have never met a culture like the Thais. From a guest's point of view, it is fantastic. It's unique. From a management perspective, it can sometimes be frustrating, because you can see the other side, but there is no right or wrong - it's just the way of the people. But the culture is unique in the world, which is a very positive thing. That's one of the major selling points of the country' (GM16).

‘Very important, actually, although Thai people are naturally friendly, so you don’t need to train them. I think most Thai people are friendly already and smile at customers and at each other, but I just have to make sure that they understand what the customer wants, which is the most difficult part. In Thailand or in Bangkok, the value for money that you get depends on the friendliness of the Thai people, which is very positive...The hotels in Bangkok provide very good value for money and are of very good quality, and the Thai people are friendly most of the time...’ (GM1).

‘The smiles and the ‘*Wai*’ (Thai greeting) are aimed at the entire world. It would be a shame to lose this culture. In Thailand, you want people to feel, to sense the uniqueness that you can’t get in other countries’ (GM14).

‘...Yes (courtesy is important), but courtesy is inherent within the Thai culture and Thai manners are the best in the world. That is really the number one factor’ (GM9).

‘Thai manner is one of the best. ‘*Wai*’ is the first priority’ (GM2).

‘The Thais have something inside them that means that they like to serve, they like to look after people, they like to be the host, they like to welcome people into their homes and then do their best to make them feel comfortable. Many Thai staff are very natural towards the guests. They don’t need to pretend. They are just ‘*Tanmachart*’ (‘natural’ in Thai). It is warm. It is great, and again these are the key words for the hotel and hospitality industry, and that is why many of the guests like them (Thai staff). They feel that the Thai staff are usually down to earth and they don’t look down on the guests. I have travelled to Europe and America many times, but the staff there don’t care much about the guests and whether they have enough help. You have to help yourself, but in Thailand it is very different’ (GM6).

3. Personal attention

Most of the GMs who worked at chain hotels claimed that personal touches and personal attention is the key to maintaining long-term relationships with customers and retaining their loyalty. Customers like to be taken care of and they like to be recognised by staff. Most five-star hotels provide their V.I.P. guests with the services of a butler and some four-star hotels provide special guest relations for V.I.P. customers (Hotel profiles pp.166-171).

‘We have a member of staff who is in charge of guest relations, who focuses on V.I.P. guests. And we have a member of staff who phones guests to ask how they are and how everything is, and whether they need anything. Our sales team is involved in relationship building with the

clients. They are very good at checking on guests' comments and levels of satisfaction during their stay in the hotel. Customers are pleased with this arrangement. They feel they are respected, they are the focus of attention, (and) they are valued by the hotel' (GM16).

In some five-star hotels, there are employees who have worked in guest relations or as butlers for more than 10 years, and some have been working for more than 20 years. They have a good relationship with their repeat customers who frequently ask for them. According to a number of GMs from chain hotels, these employees help the hotel to establish strong relationships with their customers who in turn recommend the hotel to their relatives and friends. GMs from individually owned hotels agree that personal attention is important. However, this often requires more staff and money than is available.

Only one GM argued against treating customers with personal attention. He said that hotels should treat customers equally no matter who they were, whether they were foreign or Thai.

4. Customer recognition

'...On-going technology has to be updated. Repeat guests have to be recognised. The hotel currently has a computerised system that allows us to recognise guests and make them feel as if they are at home' (GM14).

All the hotel chains have a computerised database system on which they store guests' records. Most GMs stated that the main sources of customer information were room registration cards and in-house guests. According to the majority of GMs, customer recognition is vital in maintaining good relationships with customers; customers not only appreciate such recognition, they expect to be recognised by staff. Customer recognition programmes not only store customer names and addresses, but also details of the hotel's relationship with those customers. Using such technology enables customers to be recognised as valued customers, and also allows all of their information to be used so that they can be treated in a more personal manner. Most GMs use computer databases and computer programmes such as CRM (Customer Relationship Management) to store customers' names, addresses, phone numbers, and purchase history. They also store any personal information which they believe to be useful. However, some GMs argued that they were not happy with the programme their hotel currently used and believed that there was room for improvement.

‘It is very good if you can remember your guests, their names, their details and their visit history. If you recognise them, they (customers) will like it. This will encourage them to stay, even if you increase the price by 300 or 400 baht or charge a higher price than your competitors. They will come back again and again because they like the hotel... They enjoy the feeling of being recognised and respected. They feel as if they are staying with old friends. This will add more pleasure to their stay... if someone goes to five-star hotels and pays double but nobody knows them... no one will feel good, especially if they are on holiday... so why would they (choose to) stay (in that hotel)?’ (GM9).

5. Creativity

A number of GMs suggested that hotels should be creative in improving the products and services on offer by, for example, renovating the hotel, providing a greater variety of food, offering promotional packages, improving the decoration of rooms, and supplying quick and efficient services. Some hotels provide membership cards or loyalty cards to their guests in order to build a strong relationship with their customers by means of price discounts and personal attention, as GM6 stated below:

‘We would like them to apply for a membership card with our loyalty programme, which gives discounts to members, who are also sent newsletters that we use to keep in touch with them. We would like them to look directly back to the hotel so we can offer them something because they have been here so many times already, and we can say ‘welcome back, good to see you again’. Once they come back, we try to ensure that they can stay in their favourite rooms and make them feel as if they have come back home’ (GM6).

One GM who worked at an individually owned hotel stated that large chain hotels simply duplicate hotels. Each hotel in the group provides the same services, facilities, and room design. In his opinion, chain hotels are not unique and lack flexibility in management. In contrast, individually owned hotels such as the hotel in which we works provide guests with non-standard rooms and services. Rooms are decorated in a unique style in order to appeal to customers who are keen to try new things and want to avoid the anonymity of chain hotels.

6. Improve product, service, and technology

First impressions are vital. ‘The first impression is very important and the facilities and the rooms and bathrooms are also very important, because these aspects are related to the price. People are different - they go and look around other hotels to assess what the rooms look like in relation to the price and the location’ (GM9).

According to the majority of GMs, the hotel's products and technology need to be improved and kept up-to-date so that customers have a new experience each time they come to the hotel. Regular renovation is essential and some hotels make renovations every year. GM7 who works at a five-star hotel agreed that improving products, services, and technology is crucial in order to become a leader in the hotel industry. He said that a hotel needs to be stylish and sophisticated in order to be successful, as quoted below:

‘This is one of the most stunning hotel lobbies, and in every five-star hotel, the product is very important. You want to be leader in the luxury segment, so obviously for this hotel, the product is the most important in terms of company success. Service is not as important, but we need the product not only to be well maintained, but also to be stylish and sophisticated. The product is the key component of the success of this hotel: we cannot underestimate it’ (GM7).

Some GMs claimed that hotels need to fully understand their product in order to position their hotels competitively. It was suggested by GM14 that modern Thai decor could help to create an authentic Thai atmosphere.

‘I think you have to be very honest about your facilities and you need to position yourself competitively in relation to similar Thai properties. There are many 5-star hotels that charge at the rate of four-star hotels, but there are also three-star hotels that charge like five-star hotels, which you don't want. So I think the important aspect is understand what your product is and make sure that you will be able to deliver the product in a way that meets the expectations of the guests. Some modern Thai hotels are good at creating the feeling of Thailand, because in a five-star hotel, you need a sense of place, but you don't want to overdo it’ (GM14).

7.2.3.5. RM elements with industry intermediaries (travel agencies)

The relationship marketing elements that exist in the relationships of hotels with industry intermediaries are discussed in this section. There are four RM elements which were suggested by the GMs who were interviewed: price, trust and commitment, reciprocity, and entertainment. These four elements are listed below, beginning with the most commonly cited answer.

1. Price

Most GMs stated that price was the most important factor in maintaining long-term relationships with travel agencies and businesses. In the opinions of most GMs, price was the key determinant of whether or not a travel agency would choose to establish a contract with a hotel; the lower the price, the longer travel agencies and businesses would maintain their relationship with the hotel. 'Travel agencies always want low prices - that is the problem. They want low prices, high quality and many promotions every day. If they expect too much, we cannot do it' (GM1). If the hotel wanted to increase the price of their rooms, they would need to inform the travel agencies with which they worked and would have to explain the benefits that would accrue to the travel agency as a result of this price increase.

2. Trust and commitment

A number of GMs mentioned trust and commitment. Focus needs to be placed on inculcating trust and commitment in order to maintain and enhance long-term relationships with travel agencies and other businesses. The GMs suggested that hotels need to deliver services to the standard promised in order to retain the commitment and trust of their customers as quoted below:

'Trust, absolutely they have to be able to trust. If you trust a product, you will go back to it. Also, I have to say that there are two elements - one is marketing and the other is service: service is trust. You have to do as you promise. You have to make them feel that they can rely on you: then they will feel comfortable staying with you' (GM16).

'Yes, it is important. Our commitment has to be 100%. Commitment and trust are key. It is very important. You cannot ignore that - the connection is very important' (GM5).

3. Reciprocity

The majority of general manager respondents mentioned reciprocity or *bunkhun* (reciprocating a debt of kindness) as a key issue. Whenever travel agencies with which they had a long-term relationship asked for a favour, such as upgrading a room for a V.I.P. guest, they would grant this favour whenever possible in order to reciprocate the help that they had received from the travel agency in the past.

4. Entertainment

Roughly 30% of GMs take good care of their travel agencies by taking them to play golf or inviting them to parties. Some GMs send their staff to entertain the travel agencies. 'Travel agencies need to be entertained and we need to treat them very well in order to gain benefits from them. Sometime it is too easy for us to wait for them to come here, but you have to go to them' (GM6). Some GMs or sales managers also regularly visit overseas travel agencies in order to maintain their relationship, although others confessed that they did not have time for this.

7.2.3.6. RM elements with representatives of business organisations

According to the GMs, there are four RM elements which characterise hotels' relationships with the representatives of business organisations: price, trust and commitment, quality of service and recognition. Two of these RM elements are discussed in this section, given that price, trust and commitment have already been discussed above.

1. Quality of service

Similarly to independent customers, most GMs suggested that business representatives need to be treated with care and with a high level of service. Businesses frequently use the conference and meeting room facilities of hotels with or without using the guest rooms; hotels therefore need to provide excellent service in order to cater to these customers.

2. Recognition

According to a large number of GMs, recognition is crucial in maintaining a good relationship with businesses representatives; like independent customers, business representatives both appreciate and expect recognition from staff.

A number of GMs viewed travel agencies and businesses as an extension of their sales team, and they were perceived to be highly influential in bringing new business to the hotels.

7.2.4. Relationship with employees

'The software (employees) is the most important thing in the hotel – more important than anything else' (GM9).

Most GMs indicated that they were satisfied with their relationship with their employees. 33% of the GMs interviewed insist on meeting with their management team every day in order to share experiences and resolve issues although 67% of GMs did not have time for this. GMs from individually owned hotels generally have more time to meet with their employees in comparison to those from chain hotels. All GMs communicate with their staff verbally, in writing, and in meetings. While a few of the foreign GMs speak Thai, a few do not, which sometimes results in difficulty of communication. In this case, foreign GMs would speak to their staff in English and their words would then be interpreted into Thai.

When asked if their employees understood the concept of RM, most of the GMs admitted that although most of their employees understood their duties, they did not have a clear understanding of RM. For example, GM16 commented that while his employees may not be familiar with the term 'relationship marketing', they understood processes which were related to this concept, such as obtaining feedback from customers.

'I think if you ask about relationship marketing you will get a lot of blank looks. They don't know what relationship marketing is, but if you ask them using questionnaires and percentage ratios and ask about customer satisfaction and customers' feedback, they will understand. If you ask about the overall income and marketing terms, they probably wouldn't know, but they understand the elements of it' (GM16).

The GMs usually conduct brainstorming sessions with their staff in order to find out about customers' needs and wants; they also frequently analyse the data collected from surveys, observations, and comments received, in order to help them to understand their guests better.

'We try to see what the customers want, for example wireless internet, English or other foreign language channels, they want the food that they have at home, or they want to try something different, they need a new decoration in the rooms - that kind of thing' (GM1).

Most GMs believe that their staff do their best to try to help customers and believe that their staff are the best ambassadors for their hotel. 'Yes, they are better ambassadors than I am, because they have more contact with the guests than I personally do. The doorman and the staff are the people whom the guests see first. They are my voice: they are the people who represent the hotel' (GM7). Some of them stated that the staff are a key factor in the success of the hotels, because they are always willing to help customers in a gentle and friendly manner. Many of them claimed that their

staff displayed a high level of tolerance when dealing with any kind of problem. However, some of the GMs commented that even though they were satisfied with their staff's performance, they felt that there was room for improvement. Some mentioned that the provision of service was the area which was most in need of improvement, as well as proficiency in the English language, consistency of performance, and initiative.

All of the hotels which were researched provided training courses for their staff in skills such as service standards and languages. Some five-star hotels have specific departments which provide training, while others send their staff to be trained in other organisations. The hotels train their staff on a regular basis: once a week, once a month, or everyday on-the-job training. GM14 emphasised that his employees needed to develop the confidence to make decisions themselves in order to offer a personalised service to customers. He therefore recommended that employees should be 'empowered' to do the job. Any mistakes should only be met by constructive criticism.

'I think employees have to provide a personalised service to the customer. Personalised service cannot be delivered without two things: one of them is that the employee has to have a level of confidence that allows him or her to be able to go outside the box. We can train an employee to do this to exceed expectations, to really provide through customer service, and not only to do things and to do them well, but also to have the confidence to go beyond that into the grey area. This relates back to the work environment, in which we continually develop our employees, and we are also need to empower those employees to deliver. When an employee makes a mistake, we correct - we don't criticise but we correct - and we help the employee to understand why he or she has been corrected' (GM14).

Approximately 20% of the GMs claimed that they occasionally came into conflict with their staff. Some viewed this as natural and used communication to resolve the problem. Staff turnover at chain hotels is generally higher than at individually owned hotels. According to the GMs, this is due to the competition for staff that exists among chain hotels, which involves fierce competition for staff between hotels. Competing hotels often try to poach staff by offering a higher salary and better benefits to high quality employees in order to save the time and cost associated with recruiting and training new employees.

7.2.5. Competitors

All the GMs admitted tracking the behaviour of their competitors, which they perceived as an important method of collecting information. This helps GMs to evaluate their products and services and thus gain competitive advantage, and some hotels even send their staff to competing hotels once a month to observe their practices.

‘It is absolutely vital to have a good understanding of how they (competitors) are better than you are. What are their weaknesses? What are our opportunities? You need to know what your competitors are doing. We have stayed in their hotels. We checked-in at their hotels and stayed overnight, including myself, the sale team and various other people - people that they don’t recognise - because we want the truth about their service. It costs a lot of money but we need to know where we are, what they are doing better, what we are doing worse’ (GM7).

The information received from observing competitors concerns occupation levels, rates, service charges, renovation, and hotel policies. A number of GMs stated that in order to be a leader in the market, it is important to know who your competitors are and what they are doing. Others claimed that it is important to know about the staff benefits on offer from their competitors in order to use that information to attract staff. A number of GMs from local hotels viewed their competitors as their partners. These local hotels occasionally group together to compete with international chain hotels and help each other in areas such as marketing, human resources, and finance.

7.2.6. Management within Thai culture

Most of the GMs who were interviewed understood the importance of incorporating Thai culture into RM in order to achieve success in hotel management, particularly in terms of social networking. Thai GMs emphasised that in Thailand, social networks and other cultural factors, in particular, a strong sense of hierarchy in business and in family are of great importance in Thai society as mentioned in Section 7.2.2. This section gives a comprehensive overview of management within the Thai cultural context, as provided by GMs.

Most of the GMs who were interviewed stated that it is not difficult to manage Thai people. GMs praised Thai employees for exhibiting the characteristics of *‘nahm-jai’* (generosity, kindness, and hospitality) and *‘jai-yen’* (politeness, tolerance, and willingness to

compromise). 'Thais are very *'jai-yen'*. I don't have any problem to work with them', commented GM6. GM3 claimed that he did not need to teach Thai employees to be nice because he believed that it is an inherent part of Thai personality.

'I think the most important aspect of the Thai culture in relation to the hospitality industry is that we don't have to teach Thai people to be nice. It comes naturally and we can learn from Thai people. And I think that in every place, in every culture, you have different techniques to manage or lead in that culture...The big challenge (in meetings) that we (western countries) have in the hospitality industry is not a problem in Thailand. It is very happy' (GM3).

'In Thailand, I have wonderful people. I have the greatest culture. I have a service mind. But I also have a cultural traffic of seniority and approachability, and doing the right and wrong things within the culture. We have changed a lot of things in this hotel to allow people to have express themselves freely: less fear, more trust' (GM16).

However, there are a number of management issues within Thai culture. Foreign GMs claimed that Thai people often do not like to discuss certain issues, especially with foreign bosses. As GM16 commented above, Thais prefer to keep quiet and sometimes do not fully participate in meetings. The reasons that were suggested by GMs were that Thai employees are afraid to talk to their bosses due to the strong emphasis on hierarchy in Thai society; they also *'kren-jai'* (pp.119) and *'hai-keat'* (pp.124) their bosses, in other words, they prefer to refrain from arguing or disagreeing with people who are in a senior position or older than them. GM9 explains how he tries to encourage his employees to speak more during meetings by dispelling a sense of hierarchy:

'They should not be afraid. I always say 'come on, speak up'. Maybe the language is the problem and the Thai work hierarchy, compared to mine, in which everyone is equal. You respect age, you respect education, you respect many, many things. This goes back a long way in Thai history and the issue of *'Kren-jai'* is a very big problem that needs to be overcome. I tell them that for me, *'Kren-jai'* is a joke and *'Farang'* (*'Farang'* is a word that Thai people use to refer to foreigners from western countries) are not fake, so don't worry, it's ok - speak up. There is no such thing as a silly question - the only people who are silly are those who don't ask questions' (GM9).

Moreover, the GMs stated that Thai people generally have smooth, conflict-free interpersonal interactions and may interpret the typically Western, forthright attitude as being careless and

inconsiderate behaviour. According to foreign GMs, GMs need to help their Thai employees to feel comfortable in order to encourage them to talk. GM7 also suggests below that GMs need to win Thai people's hearts by creating a trusting environment; once this has been achieved, much more can be gained from Thai employees.

'...and there is a way to get to Thai people's hearts. For example, once a month, I set up a meeting for all staff to meet and talk. I believe I can create an environment of trust and talk. At the beginning, nobody talked, but now they do - they have learned to talk. Thai people are very *'Kreng-jai'* to *'Farang'* but now they can communicate quite freely. I think it just takes time to establish trust. Once you know how to do that, the *'Kreng-Jai culture'* is not a problem. Once you know how to get to Thai people's hearts, you will gain a lot' (GM7).

However, according to Thai GMs, *'kreng-jai'* can have positive effects and plays a key role in instilling discipline in Thai employees. This encourages employees to *'kreng-jai'* or respect their GMs, and to listen to their advice. If employees were to lack a sense of *'kreng-jai'*, they would not follow the instructions and advice of the GMs.

A number of GMs revealed that when Thai people say 'yes', it does not always mean 'yes'. According to GMs, Thai people do not like to say 'no' because they do not like to refuse people; in other words, when Thai people said 'yes', they may actually be trying to politely say 'no'. This is part of the *'kreng-jai'* attitude. According to GM14, this may confuse and frustrate foreigners who may not be sure exactly what Thai people are thinking. He said:

'The one thing that was difficult for me was that 'yes' doesn't always mean 'yes' in Thailand: that was a bit difficult for me because 'yes' means 'yes' as far as I am concerned. But yes, I have to say that it takes time to adapt. This is part of the *'Kreng-jai'* attitude' (GM14).

Some GMs also mentioned that, in many cases, jobs which have been predicted to take one to two months complete actually take much longer to finish.

'Things that I thought would have been done within 1-2 months took longer time than I would normally have been done elsewhere. But I think once you understand and are aware of the cultural aspect, it will be ok. I really found that management in Thailand is hard and sometimes frustrating, and it takes some patience. But the rewards are very good: I believe that once you earn the respect of your employees, it is a very rewarding career move' (GM14).

‘In Europe I can go from A to B in a straight line, but in Thailand I may have to take a bit of a curved route in order to get there, but I do get there, so that’s a little bit different’ (GM16).

This, according to GMs, is because Thai people like ‘*sabai-sabai*’ and ‘*sanuk*’ (pp.129); enjoying life is an important part of life for many Thais. They generally do not like discipline and they do not like to be pushed by people. Furthermore, GMs suggested that it is often necessary to act as a father figure in order to effectively manage Thai people; they need ‘taking care’ of and need to be supported and encouraged by their bosses.

‘I think with Thai people you need to be involved with them, show them that you care. Thai people, in my opinion, are looking for a father figure to be their leader, so you have to realise that act like parents, you need to care, you need to be supportive, and you need discipline. I think that’s pretty much the way to lead in Thailand - to be their parents’ (GM3).

‘I have to adapt my approach a little bit as well. Perhaps less direct, perhaps less aggressive, perhaps more of a father or older brother figure to take account of the culture, but we still keep our direction, we still keep our focus’ (GM16).

Thai people also need to be recognised by their bosses and GMs should try to talk to them and remember their names. GM3 also revealed that guilt is the strongest emotion for him to deal with and suggested that foreigners who want to work successfully in Thailand need to realise that it is not easy to change the attitudes of Thai people.

‘Thai people need a lot of recognition, and I also find that the strongest emotion that has to be dealt with in Thailand is guilt. It’s not shouting or anger - it’s guilt. If you look at your staff when they’ve done something wrong, they feel guilty because they’ve let you down, and I think guilt is definitely the strongest emotion to deal with. I think that as a foreigner, to work successfully in Thailand, you have to realise that you are not going to change Thai people. Thai people are not going to change because you want them to: you have to adjust the way you manage and express your authority to take account of the ways Thai people react’ (GM3).

Thai people respect the title and status of others. As has been mentioned above, this is due to the strong sense of hierarchy in Thai society. From the perspective of GMs, this can be a positive issue in terms of management; once a Thai employee respects the general manager, they will happily perform the tasks that they are instructed to complete. However, such

respect means that Thais generally do not like to argue with their bosses and as a result, GMs may not always know exactly what their employees are thinking.

‘Like I said, it’s very different because the culture is different. Here in Thailand, people are very respectful of titles and positions, and so you already gain respect because of your title, because of your business card - you already get respect. Some other countries are not like that - we still have to earn respect. As I said, I think people don’t follow titles, they follow leaders, so personally, I don’t find Thailand a difficult place in which to live and work’ (GM17).

The majority of GMs claimed that Thai people have very large egos, and a deep sense of independence, pride and dignity. When dealing with Thai employees, especially in the case of senior managers or senior staff, GMs need to pay attention not to hurt egos. Thais cannot tolerate any violation of the ego self or losing face. One GM gave an example of some Thai managers who were not willing to participate in a meeting:

‘I work within a company with some exceptionally clever Thai managers, exceptionally clever, but when I’m in meetings with the senior management, I wonder whether anyone will ask questions. Many of them will sit there and say nothing, and they still won’t ask questions. And if something goes wrong, I say “I’m sorry, I’ve got it wrong” and explain why I’ve got it wrong, but they just sit there and say nothing. If they’ve got it wrong, they won’t accept it. About the situation of losing face, a Westerner still has his pride and his honour and everything, but he is willing to say ‘I’ve got it wrong’ or ‘how about this - hang on a minute’. We are lucky in a way, because a lot of people are going to think that foreigners don’t understand (Thai culture), so I can get away with it. A Thai cannot: you are Thai and you understand (Thai culture), and you make me lose face, so you have nothing to say. So as foreigners, we don’t have to work within the same rule (not to hurt Thai people’s egos), because we can just say in a polite way that we don’t know, but the Thais have to, so that’s another big difference’ (GM16).

According to the majority of GMs, the attitudes of employees are determined by the culture within the hotel. For instance, if people in the hotel smile at each other and help each other, then the employees will also smile and be helpful to guests. One GM commented that it is not possible to provide five-star products if their employees feel uncomfortable in the workplace. ‘If you provide good food and good benefits, and make them happy, then you can demand quality of service from employees. If the food is not good and the lockers are dirty, how you can demand something different from them?’ (GM14). Salary and benefit programmes are also important, as well as the work

environment. GMs should motivate their employees by providing a reasonable salary, benefit programmes and rewards.

‘How can I just yell at my employees and then tell them to smile at the guests?’ (GM14).

7.2.7. Differentiation between three hotel groups: GMs’ perspectives

This section summarises the differences between internationally affiliated hotels, nationally affiliated hotels, and individually owned hotels from a general manager’s point of view.

1. International chain hotels

International chain hotels are characterised by cross-country and cross-culture management. International chain hotels consist of at least one hotel which is located overseas. The management of international chain hotels is subject to the economic, political, social and cultural factors of the host countries, and the management of international chain hotels has to deal with any issues which are caused by local factors. Most head offices establish a series of standards for the hotel services and products. They hire good-quality staff and motivate them to work in the hotels by providing them with high salaries and excellent benefits. The majority of international chain hotels have a central reservation system which can be accessed by guests from all over the world. They also typically have a Central Reservation System (CRS), Central Information System (CIS), and Customer Relation Management System (CRM) which can keep track of all the guests and use this data to improve their marketing and relationship marketing strategies. These programmes are very expensive but play a very important role in maintaining relationships with customers. International chains also have websites, extensive distribution channels, and regional sales offices that most individual chains cannot afford.

2. National chain hotels

Some local hotel groups aim to become international chains in a few years. Some of them have membership programmes that offer customers an opportunity to participate and earn benefits. However, unlike international chain hotels, they generally do not have CRS, CIS, and CRM, although some hotels have PMS (Property Management Systems). Some hotels have a Guest Satisfaction Tracking System – the aim of this programme is to measure customer satisfaction by sending questionnaires to customers to ask for their comments about

the hotel. The head office receives scores from the different hotels in the group which they use to assess the differences between hotels. Some hotels also sign up for the market matrix. This programme allows guests to receive ‘thank you’ and ‘good luck’ messages from the GMs or the CEOs of the hotels after they have left. If guests reply with negative feedback, the GM will investigate and resolve the problem. Most local chain hotels are similar to international chain hotels in terms of management. They manage with a high standard of service and staff. In some national chain hotels, the salary and benefits are as high as those on offer in international chain hotels.

3. Individually owned hotels

Individually owned hotels are usually managed by the owner of the hotel who controls the hotel’s finances and a general manager who manages the operations and marketing of the hotel. In some hotels, the owner and the general manager are the same person. This means that management is simple and efficient because there are very few management channels and functions. GMs can report directly to the owner and they usually work together to run the hotel. Such hotels are very flexible in terms of management. However, it is also sometimes difficult for the GMs to renovate or decorate the hotel due to the high cost of renovation and decoration and the lack of capital that usually characterises individually owned hotels. Furthermore, it can be harder for individually owned hotels to find customers. Many of them have contracts with international reservation systems because it is expensive for individually owned hotels to travel around the world to sell their products. Some individually owned hotels strive to make their hotel unique in order to attract customers and target those customers who like to try new products and want to avoid chain hotels.

7.2.8. Summary of data analysis of general managers’ sample

The data analysis of the general managers’ sample provides useful insights into RM. The first part of this section began with an analysis of the demographic and general background of the eighteen GMs. It is interesting to note that all of the foreign GMs attended hotel management school whereas the majority of Thai GMs relied on their work experience in the hotel industry.

The second part reviews specific information about RM in Thai hotels. It appears that networking is very important in Thai society; a broader network of contacts generates more

advantages for hotels. Furthermore, Thais have a strong sense of hierarchy in both business and family which plays a significant role in managing RM in Thai hotels.

According to GMs, price is the most important factor in the maintenance of long-term relationships with travel agencies and businesses. Trust and commitment were also recognised by many GMs as key factors in the maintenance and enhancement of long-term relationships with travel agencies. Entertainment was also viewed to be a key RM element.

The study also found that customers from five-star hotels generally have higher expectations than customers from four or three-star hotels. Excellent service is crucially important and a key determinant of customer loyalty; it therefore plays an important role in the service-profit chain. It is believed by GMs that Thai personality, and the hospitality and courtesy of Thai people, is closely linked to the provision of excellent service. Recognition of customers and personal attention were also recognised by many hotels as crucial RM elements. Computerised database systems were developed to store guests' history and their preferences.

According to GMs, first impressions are very important, and need to be considered when developing products, services, and technologies. Hotels recognise that understanding customers' needs and wants from their feedback is important in retaining loyal customers. Front-line staff play a key role in anticipating customers' needs, customising the delivery of service, and building a personalised relationship with customers, which ultimately leads to customer loyalty. GMs also believed that their staff were always willing to help customers and displayed a high level of tolerance in dealing with any kind of problem. The results reveal that some hotels have repeat customers who have used their services for more than 20 years.

The third part of the section explores the relationship of GMs with employees. Most GMs are not sure if their employees truly understand customers' needs and wants but they believe that direct involvement in the job can help to improve the relationships of both customers and employees with the hotels. Observation of competitors is crucial to gain a competitive advantage. It was suggested by GMs that hotels need to regularly update their information and continuously observe what their competitors are doing in order to improve their position in the marketplace.

The fourth part discusses management within Thai culture. Most GMs agreed that it is not difficult to manage Thai people due to their inherent politeness, tolerance and willingness to compromise. However, there are a number of cultural barriers that foreign GMs need to be aware of, namely, the '*kreng-jai*' and '*hai-kiat*' attitude, which discourages Thai people from expressing themselves publicly and from hurting the egos of others,

The final part explores the differences between three groups of hotels. It was reported that international chain hotels have a solid infrastructure which is established by the head office to ensure effective RM, while locally owned hotels have to work very hard to achieve their goals. All hotel chains and some individually-owned hotels have computerised database systems to store guests' records which enables them to carry out recognition programmes with their guests. However, it is worth noting that larger hotels are less likely to have direct contact with their customers.

The following section presents an analysis of the data collected from front-of-house staff who are directly involved in dealing with customers and who, according to GMs, play a key role in anticipating customers' needs, customising service delivery, and building personalised relationships with customers.

7.3. Data analysis of front-of-house's sample

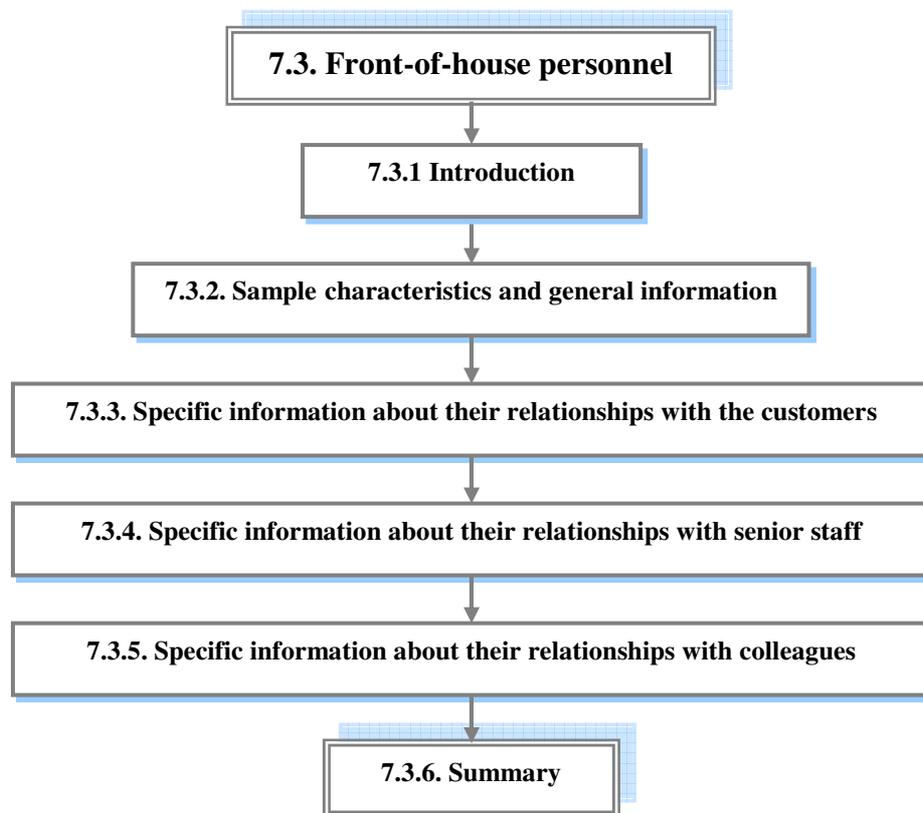


Figure 7.3: Structure of data analysis of front-of-house's sample

7.3.1. Introduction

Figure 7.3 presents the structure of the data analysis of the front-of-house sample. The structure consists of four main sections: sample characteristics and general information, specific information about the relationships between front-of-house personnel and customers, specific information about their relationships with senior staff and the GM, and specific information about their relationships with their colleagues. Front-of-house personnel will be abbreviated to 'FOH', and each staff member is allocated a unique number from 1 to 5.

7.3.2. Sample characteristics and general information

There were five front-of-house respondents, one of whom was from an international chain hotel, two of whom were from national chain hotels, and two of whom were from individually owned hotels. The majority of the respondents had been working in these hotels for more than 5 years, and one of them had been working in the hotel for more than 15 years. All of the

respondents had been working in the hotel industry for more than 5 years, and all the respondents stated that they enjoyed their job.

When asked for their opinions about the salary and benefit programmes offered by the hotels, three of the respondents said that they were satisfied. However, two of them expressed a desire for a higher salary and expected a pay rise in the following year. All of the respondents denied that the salary and benefit programme acted as incentives to make them work more efficiently. However, some respondents did acknowledge that these factors reinforced their loyalty to their hotels since a higher salary offered by another hotel would probably encourage them to move.

7.3.3. Specific information about their relationships with customers

All of the respondents said they were very happy to serve customers. They were happy if customers were satisfied with the service provided and gave positive feedback. Some of them treated their customers like family and tried to make their customers feel at home. One respondent said:

‘I feel as if the customers are like my family - my brothers, my sisters - and I want to take care of them, and I am happy to take care of them’ (FOH4).

The respondents confirmed that the Thai personality formed a key part of the employee-customer relationship. They said that most customers like it when staff greet them with ‘*wai*’; they find it courteous, respectful (‘*Hai kiat*’ in Thai), and friendly. This finding clearly supported the GMs’ opinions about Thai personality (pp.187). One respondent explained:

‘For example, I trained my staff to bend down their knees to serve water or food to the executive customers. Some customers are surprised and ask why we have to do that. I have to explain to them that this is the way we show the respect to them. We call it ‘*Hai-kiat*’ and they like it. They say, “You made me feel like a King” (FOH1).

The respondents admitted that they were not always sure about their customers’ needs and wants. However, some of the respondents acknowledged the importance of recognising customers in the development of customer loyalty, and therefore tried to remember

customers' names by talking to customers more often. However, other respondents claimed that they often had to be pushed by their superiors to remember the names of customers.

The staff in international chain hotels are strictly required to possess a sufficient level of knowledge which will enable them to answer most customer enquiries and provide assistance to customers in need. Certain national and individually owned hotels have set up training programmes to develop employees' service skills. However, some of the GMs who were interviewed did not think that it was an urgent requirement to spend extra money and time in further human resource development in relation to customer satisfaction.

A number of respondents from chain hotels mentioned their relationships with Thai customers. They said that it was difficult for them to interact with Thai customers because they generally expected that the hotels would treat them as inferior to foreigners. They claimed that this is especially the case when Thai customers visit five-star hotels.

With respect to problem solving, some of the respondents claimed that they were empowered by their seniors and authorised to resolve minor customer problems. If the problems were more serious, they would inform their superiors and GMs. According to the respondents, this helps to foster a sense of responsibility and belonging. They generally try to be patient with complaining customers and help them to calm down.

'I try to be very patient with complaining guests. I understand that they feel bad as well (when they have had problems with the hotel). So what I can do is to try to be patient and try to explain why the problem has arisen and assure them that we are going to help them' (FOH5)

7.3.4. Specific information about their relationship with senior staff

All of the respondents stated that they were satisfied with their relationships with senior staff. Some of them claimed that their superiors were always willing to help them, which made them feel enthusiastic and happy to carry out their work. 'I feel warm when my boss comes and talks to me nicely, and if he asks me to do something, I am very happy to do it for him' (FOH2). One respondent who worked at an international chain hotel suggested that superiors should try not to be too strict to their subordinates because it made them feel nervous and less likely to do their job well.

Some of the respondents claimed that they highly respected their superiors and treated them as 'idols' and role models that they wanted emulate. For instance, respondents who saw their GM 'wai' (greeting in Thai) expressed a desire to replicate this behaviour, indicating that senior members of staff are a key source of motivation for subordinates.

7.3.5. Specific information about their relationships with colleagues

Three out of five respondents stated that they were satisfied with their relationships with their colleagues. They said that they were very close and always helped each other, much like a family. One of the respondents said:

'Here, our relationship is just like '*Pee, Nong*' (which means 'brother and sister' in Thai). If you have anything on your mind, you can talk with your colleagues directly' (FOH5).

This helped them to feel happy in their work, since a good working environment made them feel more motivated and passionate. However, two respondents claimed that there were often conflicts among staff in their hotels which sometimes made them want to leave.

7.3.6. Summary of data analysis of front-of-house's sample

This section provides key research findings from the data analysis of the front-of-house sample. It was confirmed by respondents that a good salary and benefit programme plays an important role in ensuring the loyalty of employees. Some of the respondents treat their customers like family and try to make them feel at home; customers also like it when they are greeted with 'wai'. However, respondents also acknowledged that they were not always sure of their customers' needs and wants. Some respondents understood that customer recognition was important and prerequisite of customer loyalty. Superior members of staff are the key source of motivation for subordinates.

Summary of Part A

Part A presents the findings which were acquired from an analysis of the perspectives of hotels towards relationship marketing. The hotels which participated in this study generally recognised that relationship marketing plays a significant role in meeting customers' expectations, increasing customer satisfaction, retaining customer loyalty and thus improving

hotel performance. The hotels made substantial efforts to develop RM elements and strategies which were suitable for their own needs and endeavoured to apply them in order to maintain and improve customer-hotel relationships.

Part B presents important results which were obtained from an analysis of the data collected from customers, semi-structured interviews with industry intermediaries, representatives of business organisations, and independent customers. The focus of the analysis is centred on customers' attitudes, perceptions, views and opinions regarding customer-hotel relationships. This is discussed in the following section.

Part B: Analysis of data collected from interviews with customers

Part B describes an analysis of the data collected from industry intermediaries, representatives of business organisations, and independent customers. The section begins with the data analysis of the industry intermediaries' sample and is followed by a presentation of the findings from the data analysis of the business representatives' sample. The data analysis of the independent customers' sample is then presented, together with an exploration of the attitudes, perceptions, views and opinions of independent customers with respect to their relationships with hotels.

7.4. Data analysis of industry intermediaries' sample

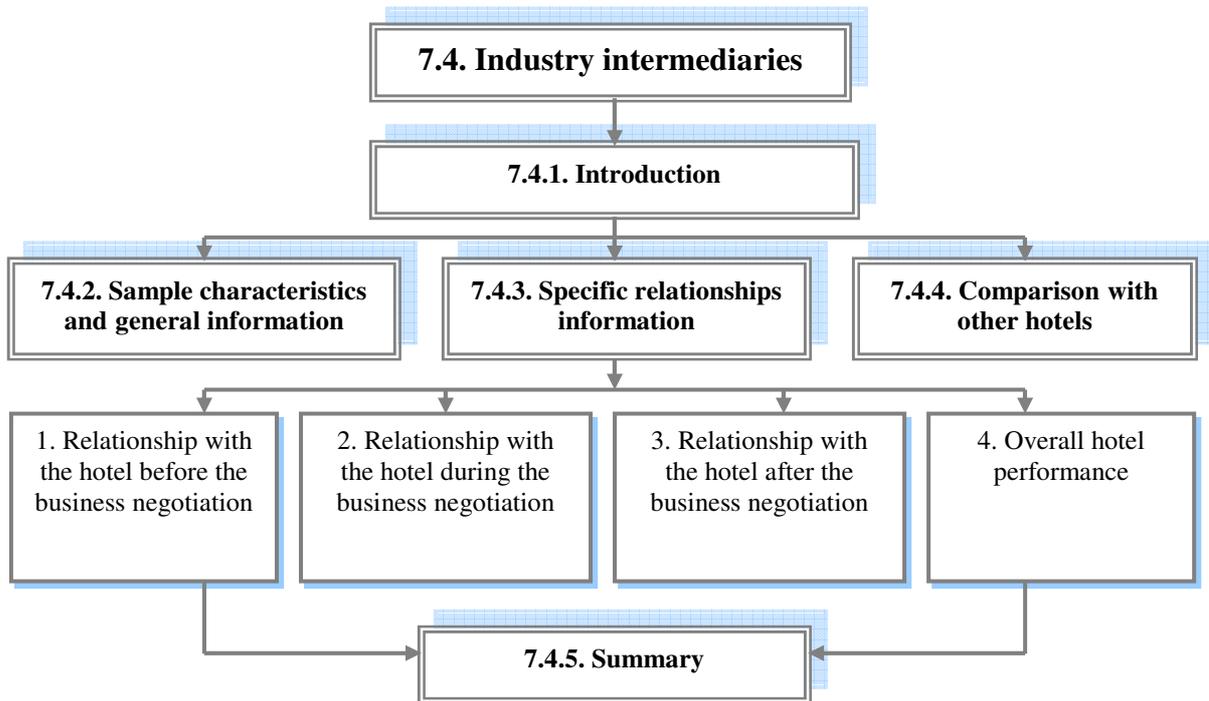


Figure 7.4: Structure of data analysis of industry intermediaries' sample

7.4.1. Introduction

Figure 7.4 presents the structure of the data analysis of the sample of industry intermediaries. It consists of three sections: sample characteristics and general information, specific relationship information, and comparisons with other hotels. These industry intermediaries or travel agencies are abbreviated to 'TG' and each of them is allocated a unique number from 1 to 6. These six respondents, all of whom have long-term partnerships (one year or more) with hotels, were selected by convenience sampling from the list of the hotel's business guests (Section 6.7.1.3). The interview questions mainly focused on the respondents' relationships with the hotels in which they were staying.

7.4.2. Sample characteristics and general information

There were a total of six respondents from inbound and outbound travel agencies. Two of the respondents were from travel agencies which were partnered with international chain hotels, two were partnered with national chain hotels, and the other two were partnered with individually owned hotels. All respondents had a Bachelor's degree. All of them had been

working with their companies for more than a year and some had been working there for more than 5 years. Two were company CEOs and the number of employees in each travel agency ranged from 50 to 200.

According to the respondents, the criteria for selecting the hotels with which they wanted to work were based on price (6 TGs), location (6 TGs), customer demand (6 TGs) and existing relationships with hotel staff (4 TGs), in order of importance. These criteria were established by the travel agencies. 'Price is very important. This is a very basic marketing strategy. If a hotel gives us cheap rates, we can mark up more, so our profits are greater: if we have more profit, then we will continue to use that hotel' (TG4). When asked for the greatest influence in their selection of hotels, four out of six industry intermediaries claimed that having a long-term relationship with the general manager or Director of Sales was an important factor. As TG5 stated:

'The relationship between the GM and myself has influenced me considerably in choosing this hotel. I always keep up to date, and if I know this GM has moved to another hotel, I will move my customers to that hotel. This is because we have been very good friends for quite a long time'.

7.4.3. Specific information about their relationships with the hotel

This section presents the respondents' level of satisfaction with their relationships with the hotels before, during and after the sales negotiation.

1. Relationships with the hotels before the business negotiation

Most industry intermediaries were very satisfied with the hotels before the sales negotiation, mainly because most of them had long-term relationships with the GMs and the staff at the hotels. They admitted that good relationships can help to ameliorate problems that may arise. For example, it may make it easier to negotiate or ask for discounts when discussing prices (see comment below). Furthermore, some respondents stated that the salespeople whom they had met from the hotels were generally very well prepared and professional in demeanour. TG4 discussed the long-term relationship that his travel agency had with a hotel as shown below:

'I'm very happy with this hotel... I have known the GM for a long time, even before he worked for this hotel... After he moved to this hotel, we continued to do business...I trusted

him and the hotel he worked for... I have a very good relationship with the hotel staff. I know a lot of people (working in the hotel). It is very easy when we talk about pricing. If you give me good prices, we will give you good business in return. Mostly, they give me good prices. I have a very good personal relationship with the people at this hotel...I think this personal relationship influences our business relations...my long-term relationship with the GM has been very important in our business relationship with the hotel... I even got married at this hotel... When we talk about four-star hotels in Bangkok, this is the hotel I would recommend the most' (TG4).

However, one respondent was only fairly satisfied with the performance of a hotel before conducting the business negotiation. He stated that the hotel was a very attractive prospect to many travel agencies, and as a result, the hotel was too arrogant to do business with his company. He felt that the hotel staff treated him in a derogatory manner and believed that it would not establish a real business partnership with any travel agency. He compared the hotel to a beautiful woman, as is shown below:

'Overall, I would only give it 50%, not 100% (for hotel performance before the sale). Let's assume that this hotel is a woman and I have three women: this hotel would be the last one that I would turn down before signing a contract with one of them. But if I had already signed a contract with this hotel, she would no longer be my girlfriend. As I said, this hotel is just like a beautiful woman and attracts many guys. But she is so arrogant and has never really chosen any guy. She just plays around with lots of guys but never falls in love with any of them' (TG6).

2. Relationships with the hotels during the business negotiation

Most industry intermediaries were very satisfied with the performance of the hotel during the business negotiation. Some of them stated that they were very happy because they felt they were dealing with people who were very professional. 'I'm actually satisfied with this hotel because the person with whom I am dealing is very professional' (TG3). Moreover, a quick response and efficient delivery of what was requested helped to enhance their satisfaction.

'The most important thing for the business is a quick response: if you can deliver what I have asked for, there is no problem. For example, if I send them e-mails and they always reply quickly, then we have no problem' (TG2).

3. Relationships with the hotels after the business negotiation

Most of the industry intermediaries were highly satisfied with their relationship with the hotel after the business negotiation. Billings were accurate and on time, and most of the intermediaries stated that the hotels were generally very good value for money for their customers.

4. Overall hotel performance and problem solving

Five out of six intermediaries said that they were very satisfied with the resolution of any problems that arose. Some mentioned that they had never received any complaints from their clients since they had started doing business with these hotels. One intermediary explained below:

‘I care quite a lot about this hotel. Other hotels are ok - I don’t care much for them - but I care a lot for this hotel. If something happened to this hotel, I would feel responsible and I would feel bad. I know almost all of the staff in this hotel and they are very nice to me. What I can say is that I am this hotel’s true friend and I think they see me as their true friend as well’ (IC3).

However, one intermediary claimed that he was only fairly satisfied with the performance of the hotel, due to what he perceived to be a lack of sincerity and trust in the relationship. He said:

‘Yes, they were friendly and efficient. Because we are top five, they will always think about us first. But we know that they are not sincere. They always look for new agencies that are better than us to take our place. We cannot really trust each other and we know it. I have never plan to get married to her. I just let her be my girlfriend’ (TG6).

Most respondents said that their companies had been in partnership with the hotels for more than 5 years, and some of them had been in partnership with the hotel for more than 10 years. In their opinion, the length of this partnership was due to the sincerity and mutual understanding of both parties (4 TGs), the quality of the hotel’s products and services and their popularity with clients (3 TGs), the location of the hotel (3 TGs), and the service provided by hotel staff (2 TGs). The data analysis was based on the opinions of respondents, ranging from the most to the least common answer.

The majority of respondents agreed that friendship would be the most important factor to consider when choosing which hotel with which to establish a partnership. When asked about what they liked most about the hotels they worked with, the most popular answers were the quality of the service (6 TGs), the appearance of the rooms (4 TGs), the location of the hotel (3 TGs), and the friendliness of the staff (2 TGs). Reasons to dislike the hotels were poor location (4 TGs), increases in room prices (3 TGs), and rooms that were constantly booked up (3 TGs). All the respondents said that their companies would definitely continue to have long-term relationships with the hotels, and four out of six respondents would recommend these hotels to their friends or colleagues.

7.4.4. Comparison with other hotels

Most of the respondents stated that the hotels they worked with were more sincere than other hotels they had worked with in the past. Some respondents claimed that it was difficult for them to negotiate with hotels where they did not have a good relationship with the staff.

7.4.5. Summary of the data analysis of industry intermediaries' sample

This section presents the key research findings from the data analysis of the sample of industry intermediaries. The majority of respondents said that friendship would be the most important factor for them and their companies when choosing to establish a partnership with a hotel. Their companies had long-term relationships with hotels if they had a good relationship with the hotel staff, the hotel's products and services were of a high quality and popular with clients, they were situated in a convenient location, and their hotel staff provided a high quality of service.

However, these findings conflict slightly with the results obtained from the analysis of the sample of GMs; most GMs believe that price is the most important deciding factor for travel agencies when deciding to establish a long-term partnership with a hotel. This issue will be explored further in the following chapter.

7.5. Data analysis of business representatives' sample

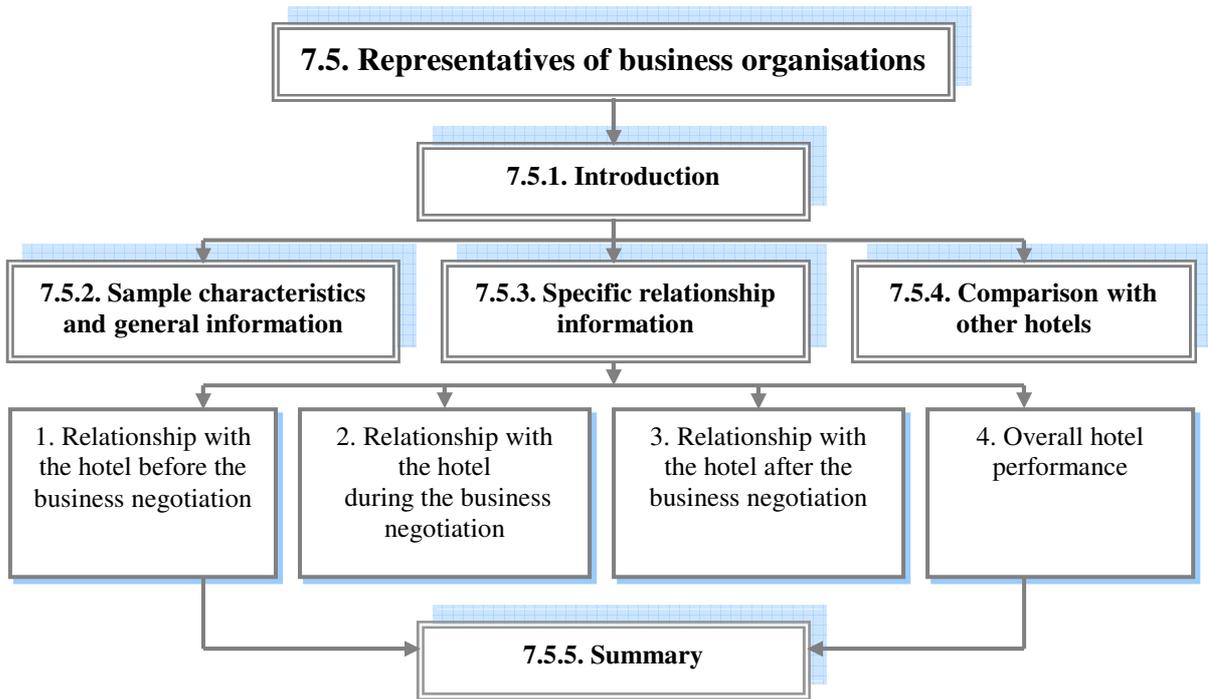


Figure 7.5: Structure of data analysis of representative of business organisations

7.5.1. Introduction

Figure 7.5 presents the structure of the data analysis of the sample of representatives from business organisations. The data analysis consists of three sections: sample characteristics and general information, specific relationship information, and comparisons with other hotels. Representatives of business organisations are abbreviated to 'ROB' and each respondent is allocated a unique number from 1 to 6. Their companies and/or organisations have long-term relationships (one year or more) with the hotels, and were chosen using convenience sampling from the hotel's list of business guests (Section 6.7.1.3). The interview questions focused mainly on the respondents' relationships with the hotels that they were using.

7.5.2. Sample characteristics and general information

There were six respondents, two of whom were staying at international chain hotels, two of whom were staying at national chain hotels, and two of whom were staying at individually-owned hotels. All the respondents had a Bachelor's degree. The companies which were represented consisted of an import/export company, a petroleum-based product manufacturer,

a network training company, and three government organisations. The employees working in each company ranged from 20 to 200 employees.

These respondents were the representatives of companies which had chosen to hold meetings and conferences in the hotels. According to respondents, the key criteria for selecting these hotels were based on cost, location and service in order of importance. However, when asked what attracted them most about these hotels, three of them said excellent staff service, 'I like the staff at this hotel. They are very friendly, pleasant, courteous, and always willing to help you, and all of them know me' (ROB4), two of them mentioned good location, and another mentioned good value for money.

7.5.3. Specific information about their relationships with the hotel

This section presents respondents' levels of satisfaction with their relationship with the hotel before, during and after the business negotiation.

1. Relationship with the hotel before the business negotiation

All the respondents were very satisfied with the overall performance of the hotel before the business negotiation. Some of the respondents stated that this was because they had been in contact with the hotels for a very long time and knew that they provided a high level of service. Other respondents attributed this to the flexibility of the hotel and the friendliness of the sales staff, which made it easy for them to negotiate.

2. Relationship with the hotel during the business negotiation

All the respondents were very satisfied with the overall performance of the hotel during the planning of the business event. Some of them mentioned that the hotel staff were very professional. One respondent commented: 'They are very professional. I don't need to tell them to serve water or to do things. They know what they are supposed to do. You don't need to tell them how to do their jobs and you don't need to worry. You can leave the job with them, because you trust them. I don't mind if we have to pay more as long as we get a professional service' (ROB2). Some of the respondents also stated that the hotels provided a high quality of service and food during the events.

3. Relationship with the hotel after the business negotiation

All the respondents were very satisfied with the performance of the hotel after the event was held, and believed that it was good value for money. One of the respondents mentioned that even though the hotel had increased its prices, she would nevertheless continue to choose it as a venue for corporate events due to the fact that she felt comfortable doing business there.

4. Overall hotel performance and problem solving

All the respondents were very satisfied with the performance of the hotel and the service provided. Some of them stated that they had never had any negative experiences during the entire length of their relationship with the hotel. Staff were consistently friendly, willing to help, and flexible enough to adapt to the demands of customers.

The results which were obtained from the interviews showed that all of the companies which were represented by the respondents had been in contact with the hotels for more than 10 years. According to respondents, the length of this relationship was due to the depth of their personal relationship (5 ROBs), the favourable price (4 ROBs), the quality of service on offer (3 ROBs), and the convenience of location (3 ROBs).

The majority of respondents admitted that excellent staff service was the most important factor for them when selecting a hotel. The respondents' favourite elements of the hotels were the service, the food, the location, and the value for money. All the respondents were very satisfied with the products and service on offer and none of them disliked anything about the hotels. 'I don't expect anything from the hotel. Everything is perfect already' (ROB3). All of the respondents claimed that their companies would continue to have a long-term relationship with the hotels as long as they continued to provide reasonable prices and service. All of the respondents would recommend the hotels to their friends and colleagues.

7.5.4. Comparison with other hotels

A number of respondents stated that the hotels were very good value for money compared to other hotels that were very expensive and offered a lower quality of service. Four of the respondents claimed that other hotels were not as flexible in terms of providing products and services. In those hotels, extra costs would be incurred if the relevant clause was not included in the contract which was signed. The following is an example given by ROB5:

‘We had a conference in a five-star hotel last year. It was not a good experience because the staff were not very friendly compared to this hotel, and if you wanted to add something, such as another microphone, they charged you extra money. But this hotel is not like that: you can ask for another microphone at no extra charge. That is why I would like to continue to come here’ ROB5.

7.5.5. Summary of data analysis of business representatives’ sample

It was found that business organisations primarily have long-term relationships with hotels because of the strength of their relationship, the price of their facilities, the quality of service, and the convenience of the location. These findings are similar to the findings collected from the GM respondents, which stated that quality of staff and recognition of customers are important RM elements although strength of relationship was not mentioned.

The key criteria used by business representatives to select hotels are price, location and service. However, the majority of respondents claimed that excellent service would be the most important factor for them when selecting a hotel. All respondents said that their companies would continue to have a long-term relationship with the hotel as long as they continued to provide reasonable prices and service.

The following section presents an analysis of the data collected from the sample of independent customers. Independent customers differed slightly in terms of characteristics, backgrounds, and preferences, from the representatives of travel agencies and business organisations.

7.6. Data analysis of independent customers' sample

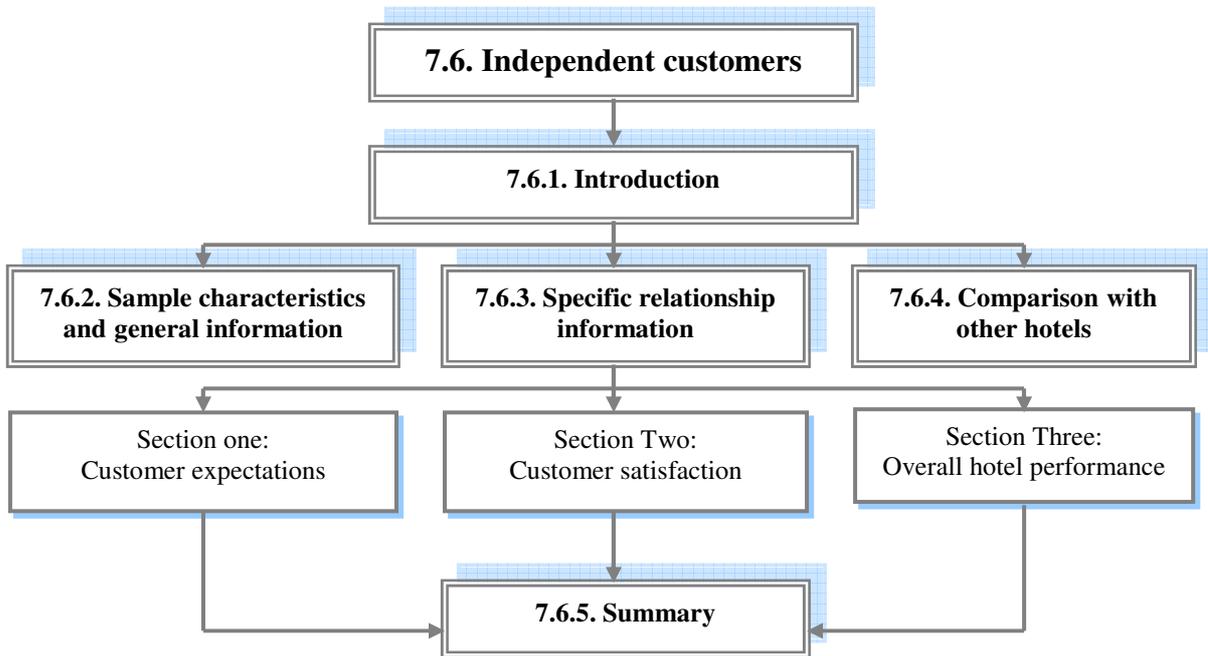


Figure 7.6: Structure of data analysis of independent customers' sample

7.6.1. Introduction

Figure 7.6 presents the structure of data analysis of the sample of independent customers. The data analysis consists of three sections: sample characteristics and general information, specific relationship information, and comparisons with other hotels. Independent customers are abbreviated to 'IC' and each is allocated a unique number from 1 to 6. Independent customers included international travellers and domestic tourists who stayed in the hotels between February and April 2006, and were selected using convenience sampling (Section 6.7.1.3).

7.6.2. Sample characteristics and general information

Six respondents participated in the study, two of whom were staying at international chain hotels, two of whom were staying at national chain hotels, and two of whom were staying at individually-owned hotels. All of the respondents had a Bachelor's degree and their occupations included working as a pilot, computer engineer, CEO of a marketing company, medical consultant, and wholesaler. Their annual household incomes ranged from £50,000 to £100,000.

Most of the respondents had visited Bangkok many times and one of them had previously lived in Bangkok. IC1 and IC6 stated that this was the first time they had stayed in their hotel while IC2, IC3, IC4, and IC5 stated that they had stayed in these hotels more than one once. Five out of six respondents stated that the purpose of their stay there was business; only one was there for a holiday. Most of them had selected the hotels themselves, and only one respondent had selected the hotel via a travel agency.

‘A travel agency arranged things for me and they recommended this hotel. I go through a travel agency, Sea Tour - a big travel agency. I’m very good friends with them and I let them know that I was coming to Bangkok. They recommended this hotel to me and I decided to stay here and I was very happy, so now I always stay at this hotel whenever I come to Thailand. This is the eighth time I’ve stayed at this hotel. It is not a five-star hotel, it is only a three-star, but it provides everything you need. The most important thing is the service from the hotel staff. This hotel provides excellent service’ (IC3).

The criteria for selecting the hotels were based on location (6 ICs), service (5 ICs), proximity to shops (4 ICs), tranquility (3 ICs), access to the Internet (2 ICs), price (2 ICs), and comfort (1 ICs).

7.6.3. Specific information about their relationships with the hotel

This section explores specific information about the respondents’ relationships with the hotels. It is separated into three sections. Section One explores customer expectations before arrival at the hotel, Section Two explores customer satisfaction after staying at the hotel, and Section Three examines overall hotel performance.

Section One: Customer expectations before arrival at the hotel

The respondents were asked about their expectations before they arrived at the hotel. The majority of respondents expected that they would receive a warm welcome with a high standard of service and safety. They also expected that they would be recognised by hotel staff as guests or return guests. IC5 explained:

‘I expected that they should recognise me as their customer, not as an object. You know, you can be a glass or a table in other hotels, but this hotel recognises you as a customer, so this makes me feel good’ (IC5).

The respondents expected the hotel to deliver fast service at check-in, with a warm welcome from staff. They expected hotel staff to understand their needs, and provide them with an adequate level of service. The majority of respondents stated that they expected their rooms to be cleaned with facilities such as air-conditioning, cable television, and access to the Internet. The results of the survey show that cable television and Internet access is particularly important for business customers.

‘I expected the hotel to have cable TV in the rooms so I could watch BBC News, CNN and the stock market. I do business on the internet - that is why internet access is so important for me, and TV as well. I chose this hotel because they provide cable TV and internet access’ (IC6).

The respondents also expected a variety of good food and excellent service to be provided in the hotel restaurant at reasonable prices. They expected the hotel to provide a high standard of security and they expected to be safe while they were in the hotel.

Section Two: Customer satisfaction after staying in the hotel

The respondents were asked about their level of satisfactions after staying at the hotel. Four out of six respondents were ‘very satisfied’ with the hotels in which they stayed and two of them were ‘quite satisfied’. One respondent who was staying at a national chain hotel mentioned that his high level of satisfaction was due to the speed and quality of the service, which met his expectations.

Most of the respondents were very satisfied with the hotel rooms, and felt that they exceeded their expectations, although one respondent who was staying at an international chain hotel admitted that he was only ‘fairly satisfied’ because the view he requested in his room did not meet his expectations. The majority of the respondents were ‘very satisfied’ with the variety and taste of the food and the service on offer. However, one customer stated that he was only ‘fairly satisfied’ because he had to wait for 10 minutes before a waitress came to take his order. Some of the respondents who were staying at international and national chain hotels were very satisfied with the safety precautions in place, because there was a security guard present in the lobby.

Most of the respondents were very satisfied with the service provided by the hotels. They said that the hotel staff were always smiling, polite, courteous, and helpful. Here are a few of their comments on the level of service:

‘Very good: as soon as I sat down, the staff brought me water, very good’ (IC3).

‘The best service I have ever experienced from any hotel or restaurant. From the second we walked into the hotel to the moment we left, nothing was too much trouble, and the only task the staff had was to make sure that we were enjoying ourselves. The room was beautiful and the butler service was extremely helpful. All staff were extremely polite, courteous, and helpful. You can have a late check-out and they don’t charge you extra, and they treat you and value you as an old customer, so that is very good. We will definitely come again’ (IC5).

‘I was very happy with the service. The location was very good and the room was comfortable. The staff were always smiling’ (IC2).

However, one of the respondents who was staying at an international chain hotel mentioned that he was only fairly satisfied because of issues with the restaurant service; however, the hotel employees were generally very friendly and polite to him. Four out of six respondents were very satisfied with the overall performance of the hotel during their stay due to the high quality of service and the friendliness of staff.

Recognition of customers is also very important. One respondent who was staying at an individually owned hotel explained that he had continued returning to this particular hotel for so many years because he was recognised by the staff. Another respondent who was staying at a national chain hotel explained his preference for the hotel because he was recognised by all of the hotel staff, from the bellboy to the GM, and they were always very friendly. He said:

‘This hotel has very unique interiors and the service is very good. They know their customers. They know me and say ‘*Sawatdee ka kun...*’ (‘*Sawadee*’ is the way to say ‘hello’ in Thai and ‘*Kun*’ is used in front of people’s names to show respect). They are very friendly, so that makes a difference. If you want to ask about anything, everybody will try to help you. Other hotels in which I have stayed are not bothered - if you come, you come; if you go, you go - but here it is very different, which is why I keep coming here. My company has chosen this hotel as its corporate hotel, because we discussed it in a meeting and I said that this was a better place and offered better prices, so lots of people from my company come here. This hotel is

comfortable and there are not many tourists, because when I'm on business, I want somewhere quiet. Even at the door, the staff will say '*Sawatdee kun...*' and they will ask me 'how are you? How is your family?' They all know me: whenever I come to this hotel, the GM always has breakfast with me, and he and his colleagues ask about us - how are we, how we are doing - which is different for us, and that is why so many people from our company keep coming back to this hotel' (IC5).

Section Three: Overall hotel performance

Only two respondents claimed that they had experienced problems during their stay. One of them noted that the room next door was very noisy, and another respondent who had attended a conference claimed that the meeting room next door was very noisy. They reported these problems to the staff who were very quick to respond and solve the problems. The respondents were therefore very satisfied with the action taken by the hotels.

When asked what they liked most about their hotels, the answers were the friendliness of the staff, the warm welcome received, the convenience of the location, the price, the access to the Internet and the range of international channels available on the television. All respondents answered that the hotel was very good value for money.

'It is good value for money. As a businessman, you will look for the best value for the money that you have, and I am satisfied with this place' (IC5).

When asked what they disliked most about their hotels, one respondent staying at a five-star international chain hotel complained that he was charged a very high price for his room. Another respondent replied that he disliked the restricted smoking area. When asked whether they would like to see the hotels make any changes, most of the respondents said 'no'. Only one replied that he would like the hotel to introduce new technologies such as fax in the room. Five out of six respondents said that they would return to these hotels if they visited Bangkok in the future, and all of the respondents said that they would recommend these hotels to their friends and colleagues.

7.6.4. Comparison with other hotels

When asked to compare these hotels with other hotels in which they had stayed in the past, four of the respondents who were repeat guests said that the hospitality and the friendliness of

the staff were what distinguished the hotel from its competitors. Another key factor was the level of personal attention paid to customers.

‘I think what makes a difference here is the personal attention, which is important, and I think that makes it different from the other hotels. I feel very good when I see the culture being preserved in Thailand and the service industry in Thailand is the most advanced. They are very courteous, very polite and very warm. Most hotels in other places outside Thailand, and cruise-ships, hire Thai people because they are very good at this sort of service. In the USA, Thai people are sought after as staff in hotels’ (IC3).

7.6.5. Summary of the data analysis of independent customers’ sample

This section contains key research findings from the data analysis conducted on the sample of independent customers. It was found that the key criteria used for selecting hotels are based on location, the quality of the service and the food, proximity to shops, tranquility, Internet access, price, and comfort. Access to cable television and the Internet are also important. The majority of respondents expected to receive a warm welcome with a high standard of service, customer recognition and safety. Recognition of customers by staff was also very important and was the key reason for the repeated visits of one particular guest. The respondents were satisfied with the overall performance of the hotels due to the friendliness of staff and their willingness to help, the convenience of the location, the price, the access to the Internet and the range of international channels available on the television.

Summary of Part B

The relationship between hotel and customer is a controversial issue on which there exist many attitudes and opinions. Part B presents the data analysis from the perspective of the customer. It examines the customers’ expectations and level of satisfaction, which is of great use to hotels in providing products and services which fulfil customer expectations and ensure their satisfaction. This will be discussed in greater detail in Chapter Eight.

Part C: Analysis of data collected from customer survey

Part C presents an overview of the analysis conducted on the data collected from the customer survey. The field research was carried out at nine hotels in Bangkok; a total of 369 questionnaires were completed by independent travellers.

7.7. Data analysis of independent customers' sample from customer survey

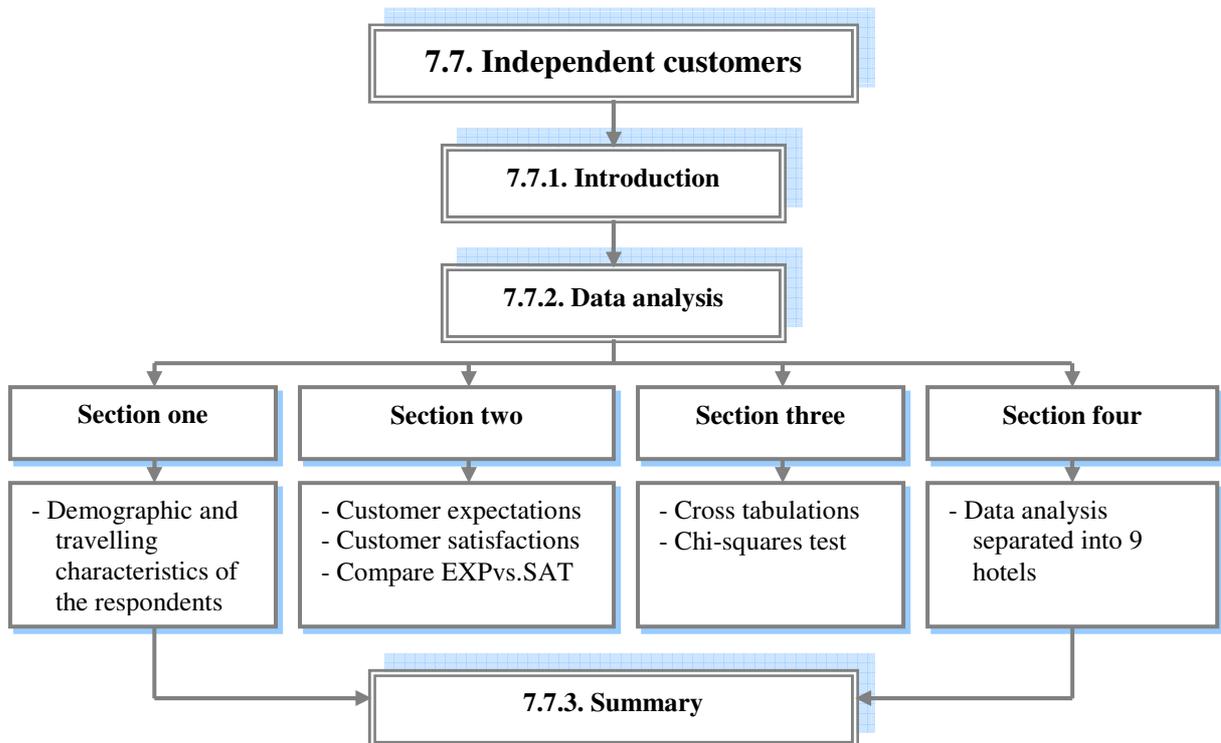


Figure 7.7: The structure of data analysis of independent customers' sample

7.7.1. Introduction

The analysis of the data is separated into four sections: the demographic and travelling characteristics of the respondents, customer expectations and customer satisfaction, cross tabulation analysis, and analysis of the data categorised into nine hotels.

7.7.2. Data analysis

The following four sections present the data analysis. The independent travellers who were surveyed consisted of international travellers and domestic tourists who stayed in the hotels between February 2006 and April 2006 (Section 6.9.2). Permission was asked of the general managers in each hotel to place the questionnaires into each hotel room. The data collected from the questionnaires were analysed using SPSS software (Section 6.9.2).

Section One: Demographic and travelling characteristics of the respondents

Sample profile: 369 questionnaires

The majority (57.7%) of the survey’s participants were male (see Table 7.4).

Table 7.4: Gender of respondents

Gender	Frequency	Valid Percent
Male	213	57.7
Female	156	42.3
Total	369	100

The majority of the respondents (31.2%) were aged 25-34, 22% were aged 35-44, and 15.4% were aged 45-54 (see Figure 7.8).

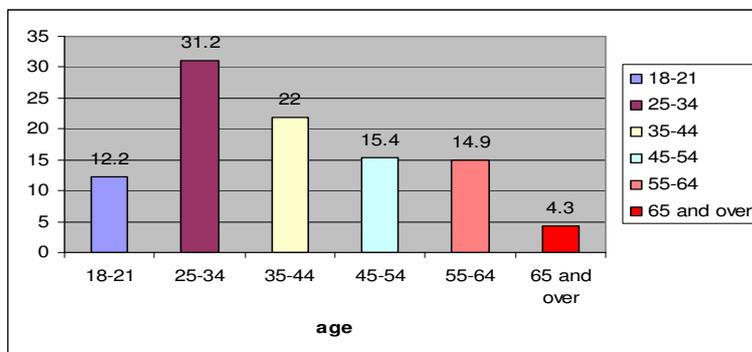


Figure 7.8: Age of respondents

Figure 7.9 shows that the annual household income of 74.6% of the respondents is between £25,000 and £84,000, the income of 18.7% of the respondents is less than £25,000 and 4.6% of the respondents have an income of more than £85,000.

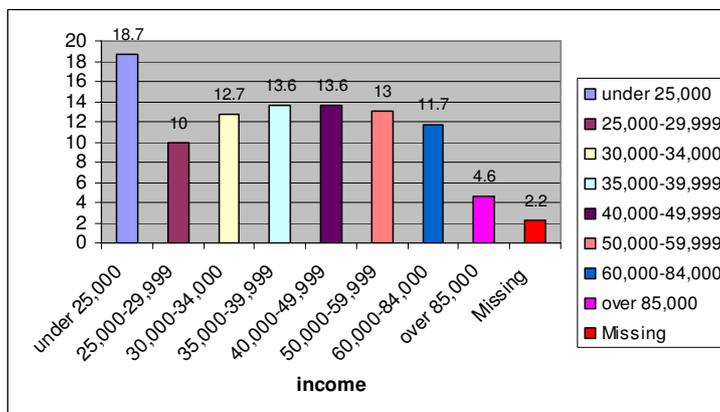


Figure 7.9: Income of the respondents (£)

55.3% of respondents have a Bachelor's degree and 25.8% have a postgraduate degree. Only 12.2% finished a school leaving qualification.

The respondents have various occupations, such as executive/managerial positions (15.4%), marketing/sales positions (12.7%), and service/customer support positions (11.7%).

When asked if this was their first to Bangkok, 41.3% replied 'this was my first visit', 38% had '1-3 previous visits', and 20.7% had '4 or more previous visits'. When asked whether they had stayed at the hotel before, 56.1% said 'yes' and 43.9% said 'no'. 48.8% of respondents were spending 1 to 3 nights at the hotel, 36.5% were spending 4 to 7 nights there, and 12.8% were spending 8 to 14 nights there. Only 1.9% were staying for one month or more. The main purpose of their stay in the hotel was for pleasure/personal reasons (68.7%), and only 31.3% were there for business reasons.

28.2% of customers used a travel agency to choose the hotel, 18.7% acted on recommendations from friends or relatives, and 14.9% had previously visited the hotel (see Table 7.5). The hotel did not form part of a package tour for 57% of respondents.

Table 7.5: The reasons the respondents chose the hotels

The reasons the respondents choose the hotels	Percentage
Travel agency	28.20
Friend or relative	18.70
Pervious visit	14.90
Internet	13.00
Other	5.70
Walk-in	4.90
Attending meeting	3.50
Special package	2.40
Bus tour	2.20
AAA or tour guide	1.90
Advertisement	1.60
Magazine	1.40
Referral by airline	1.40
Radio	0.30
Newspaper	-
Article	-

Section Two: Comparison between customer expectations and customer satisfaction

Customers were asked to compare their expectations before arriving at the hotel with their level of satisfaction after leaving. The data were analysed by using pair sample t-test (Section 6.9.2.1, EXP vs. SAT). The comparison between the two sets of data is explained in this section.

1. General information about customer expectations

More than 60% of respondents emphasised the importance ('very important' and 'somewhat important') of the facilities and services provided when choosing a hotel, while 49.4% of respondents referred to the meeting and conference facilities and 51% of respondents mentioned the car parking facility. In addition, more than 85% of respondents placed importance on the cleanliness of the room and bathroom, 88.2% emphasised the importance of having a general feeling of safety whilst in the hotel, 87.2% mentioned the friendliness of the hotel staff, 86.7% mentioned the time taken to check-in, 85.3% mentioned the availability of the type of room they wanted to reserve, 85.2% mentioned the range/variety of food available in the restaurants at breakfast, and 85% mentioned the overall comfort of the room.

2. General information about customer satisfaction

The survey revealed that more than 50% of respondents who chose to stay at these hotels were 'completely satisfied' or 'very satisfied' with all the facilities and services, in particular, the friendliness of the staff (85.3%), the care and consideration shown by the hotel (83.2%), and general levels of safety in the hotel (82.1%).

3. Comparison of customer expectations with experiences

The results show that there is a statistically significant difference (EXP vs. SAT, $t = 9.999$, $p = .000$) between customer expectations and customer satisfaction (C group, analysed from pair 1 to pair 10, see Table 7.6).

In conclusion, it was found that customer expectations are generally higher than customer satisfaction in all respects, from the customers' 'arrival at the hotel (B1), which includes car parking facilities, friendliness and helpfulness of the doorman, and the overall condition and appearance of the hotel' to 'your overall opinion of your stay at this hotel (B10)'. These findings are significant to the hotel in terms of understanding customer expectations and

satisfaction and using this information to develop the facilities and services on offer. This will be discussed in more detail in the following chapter.

Table 7.6: Comparison of customer expectations with experience

Paired Samples Test								
	Paired Differences					<i>t</i>	df	Sig.(2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair1 B1 – C1	.2624	.91153	.04922	.1656	.3592	5.331	342	.000
Pair2 B2 – C2	.1901	.73796	.03895	.1135	.2667	4.881	358	.000
Pair3 B3 – C3	.3232	.69866	.03761	.2492	.3972	8.592	344	.000
Pair4 B4 – C4	.8468	1.28963	.07067	.7078	.9859	11.983	332	.000
Pair5 B5 – C5	.9143	1.74248	.09314	.7311	1.0975	9.816	349	.000
Pair6 B6 – C6	.22	1.073	.058	.10	.33	3.752	337	.000
Pair7 B7 – C7	.2605	.89030	.04773	.1667	.3544	5.459	347	.000
Pair8 B8 – C8	.56	1.764	.095	.38	.75	5.944	345	.000
Pair9 B9 – C9	.6744	1.57812	.08472	.5077	.8410	7.960	346	.000
Pair10 B10 – C10	.1028	.81994	.04352	.0172	.1884	2.363	354	.019
Pair11 EXP–SAT	.4669	.73085	.04669	.3749	.5589	9.999	244	.000

Section Three: Cross tabulation

This section compares two related variables (Section 6.9.2.1). As can be seen in Table 7.7, men are more likely to revisit Bangkok than women. The main reason for staying at the hotel was for a holiday (63.7%). Females are more likely to use the hotel for a holiday than males (see Figure 7.10).

Table 7.7: Visited Bangkok, Thailand and gender (%)

Visited Bangkok, Thailand	Male	Female
This was my first visit	35.7	49
1-3 previous visits	40.8	34.2
4 or more previous visits	23.5	16.8

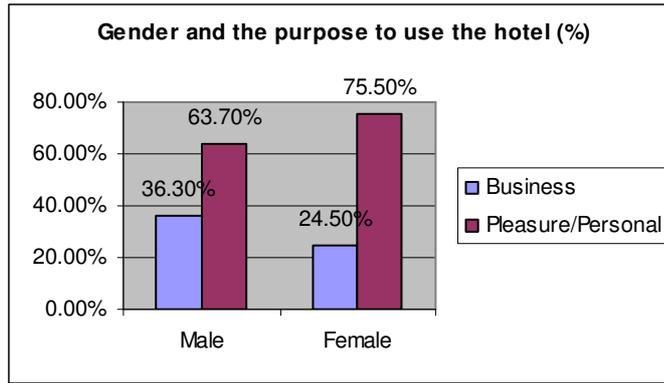


Figure 7.10: Gender and purpose of using the hotel (%)

According to the results, older respondents are more likely to visit Bangkok on a regular basis. (see Table 7.8).

Table 7.8: Visited Bangkok, Thailand and age (%)

Visited Bangkok, Thailand	18.24	25-34	35-44	45-54	55-64	65 >
This was my first visit	60	49.6	38.8	29.8	29.1	25
1-3 previous visits	24.4	35.7	43.8	45.6	43.6	18.8
4 or more previous visits	15.6	14.8	17.5	24.6	27.3	56.3

There is an inverse relation between respondents' income and their intention to travel with a package tour. As the level of respondents' annual income increases, the likelihood of using a package tour decreases.

Section Four: Data analysis: grouped into nine hotels

In order to avoid bias, the 369 questionnaires which were completed were categorised into nine hotels. These were the hotels that allowed questionnaires to be placed in the hotel guest rooms. A unique number was given to each hotel in order to maintain the confidentiality of the respondents (see profile of hotels pp.180). The participating hotels consisted of four national chain hotels, namely, Hotels 7, 8, 10 and 11, and five individually owned hotels, namely, Hotels 13, 14, 15, 16 and 18.

This section consists of two parts. The first part of the section covers the demographic and travelling characteristics of the nine hotel respondents which are arranged in frequency distributions (Section 6.9.2.1). The second part presents the data analysis of customer expectations and customer satisfaction with the facilities and services provided by the hotel.

1. Demographic and travelling characteristics of the respondents

Table 7.9 below is a summary of the demographic and travelling characteristics of the respondents from the nine hotels.

Table 7.9: Summary of the demographic and travelling characteristics of the respondents of the nine hotels

	Hotel 7 100 questionnaires	Hotel 8 40 questionnaires	Hotel 13 60 questionnaires	Hotel 15 50 questionnaires	Hotel 16 20 questionnaires	Hotel 11 30 questionnaires	Hotel 10 20 questionnaires	Hotel 14 20 questionnaires	Hotel 18 29 questionnaires
Gender	Male (68%)	Male (53%)	Male (57%)	Female (56%)	Male (55%)	Male, female	Male (60%)	Female (55%)	Male (72%)
Age	25-34 and 55-64 (29%)	25-34 (35%)	25-34 (27%)	25-34 (32%)	35-44 (40%)	25-34 (33%)	35-44 (40%)	25-34 (35%)	25-34 (41%)
Income	Under £25,000 and £30,000- £39,999 (16%)	£30,000- £39,999 (28%)	£50,000- £59,999 (26%)	£60,000- £84,000 (18%)	Under £25,000 (35%)	Under £25,000 (30%)	Under £25,000 (40%)	£30,000- £39,999 and £50,000- £59,999 (25%)	Under £25,000 (32%)
Education	Bachelor's degree (41%)	Bachelor's degree (60%)	Bachelor's degree (57%)	Bachelor's degree (51%)	Bachelor's degree (67%)	Bachelor's degree (70%)	Bachelor's degree (36.8%)	Bachelor's degree (84%)	Bachelor's degree (72%)
Occupation	Executive or managerial (22%)	Executive or managerial (18%)	Executive or managerial (18%)	Service/ customer support (20%)	Service/ customer support (30%)	Marketing/ Sales (23%)	Executive or managerial (20%)	Service/custom er support (20%)	Clerical/admi nistrative, Marketing (17%)
Visited Bangkok, Thailand	1-3 previous visits (41%)	1-3 previous visits (38%)	1-3 previous visits (36%)	This was my first visit (58%)	1-3 previous visits (40%)	1-3 previous visits (43%)	1-3 previous visits (50%)	1-3 previous visits (40%)	1-3 previous visits (59%)
Stay at this hotel on pervious visited	No (42%)	Yes (59%)	Yes (55%)	No (51%)	Yes (56%)	Yes (59%)	Yes (94%)	Yes (61%)	Yes (62%)
Length of stay	1-3 nights (60%)	1-3 nights (49%)	1-3 nights (63%)	1-3 nights (60%)	4-7 nights (58%)	4-7 nights (40%)	4-7 nights (55%)	8-14 nights (55%)	4-7 nights (38%)
Main purpose	Pleasure (58%)	Pleasure (67%)	Pleasure (73%)	Pleasure (86%)	Pleasure (70%)	Pleasure (87%)	Pleasure (60%)	Pleasure (52%)	Pleasure (66%)
Why choose this hotel?	Travel agent (34%)	Travel agent (15%)	Internet (25%)	Travel agent (24%)	Travel agent (35%)	Travel agent (23%)	Previous visit (30%)	Travel agent (55%)	Travel agent (35%)
Is the hotel part of a package tour?	No (55%)	No (68%)	No (73%)	No (52%)	No (55%)	No (57%)	Yes (63%)	Yes (55%)	Yes (54%)

As is shown in the table, the majority of respondents of the nine hotels were male (more than 50% from the nine hotels answered) and aged between 25 and 34 (more than 25% from the nine hotels answered) with a Bachelor's degree (more than 40%). The annual household income of respondents was between £25,000 and £84,000. Most of the respondents who had previously visited Bangkok returned to stay at the same hotel (for example, the respondents from Hotels 8, 13, 14, and 18, see Table 7.6). The length of stay was 1-7 nights and the main purpose of staying in the hotel was for pleasure. The majority of respondents used a travel agency to select the hotel, while the second most common mode of selection was recommendations from friends and relatives.

2. Customer expectations and satisfaction

Table 7.7 below is a summary of customer expectations and customer satisfaction (see also Appendix 4).

Table 7.10: Summary of customer expectations and customer satisfaction: nine hotels

Customer expectation (more than 5 hotels answered)	Number of hotel answered	Customer satisfaction (more than 4 hotels answered)	Number of hotel answered
- Range and variety of food available in the restaurants at breakfast	7 hotels	- Friendliness and helpfulness of the hotel staff	6 hotels
- Value which the hotel provided for the price the customer paid	6 hotels	- Scope of consideration shown by the hotel	4 hotels
- General feeling of safety whilst in the hotel	6 hotels	- Value provided for the price paid	4 hotels
- Air-conditioning/radiator in the room	6 hotels	- Courtesy and helpfulness of the reception staff	4 hotels
- Speed of check-in	6 hotels	- Friendliness and helpfulness of the bellman	4 hotels
- The way messages were passed on to customer	6 hotels	- Availability of the type of room they wanted to reserve	4 hotels
- Friendliness and helpfulness of the hotel staff	5 hotels	- Overall comfort of the room	4 hotels
- Cleanliness of the room and bathroom	5 hotels	- General feelings of safety whilst in the hotel	4 hotels
- Availability of the type of room they had reserved	5 hotels		
- Overall quality of the room and furnishings	5 hotels		
- Care and consideration shown by the hotel	5 hotel		
- Speed of check-in	5 hotels		
- Accuracy of itemised bill	5 hotels		

After the data were analysed and separated into the nine hotels, it was clear that the facilities and services provided are believed to be the most important factors in choosing a hotel. Particular emphasis was placed on ‘the range and variety of food available in the restaurants at breakfast’, ‘the value which the hotel provided for the price the customer paid’, ‘the general feelings of safety whilst in the hotel’, ‘air-conditioning/radiator in the room’, ‘speed of check-in’, and ‘the way messages were passed on to customer’ (see Table 7.7). Furthermore, it was found that the friendliness and helpfulness of the hotel staff was clearly a key element in ensuring that customers were satisfied with the facilities and services provided.

Summary of Part C

The majority of respondents were male and aged between 25 and 34. The annual household income of the respondents was between £25,000 and £84,000 and the majority had a Bachelor’s degree. The occupations of the respondents were somewhat varied, ranging from executive/managerial positions, marketing/sales positions, service/customer support positions, professional positions, self/employed own company, to computer technical/engineering positions. For the majority of respondents, this was their first visit to Bangkok and they were spending 1 to 3 nights there. The main purpose of their stay was for a holiday and the majority of respondents had used a travel agency to select the hotel. In addition, the study shows that men are more likely to revisit Bangkok than women, although women are more likely to visit for holiday reasons. The results demonstrate that customer expectations are significantly higher than customer satisfaction in all areas. Furthermore, according to most respondents, the facilities and services on offer are perceived as important factors in choosing a hotel. The main factors are listed below:

- Cleanliness of the room and bathroom (89.9%)
- General feeling of safety whilst in the hotel (88.2%)
- The friendliness and helpfulness of the hotel staff (87.2%)
- Time taken to check-in (86.7%)
- Availability of the type of room they wanted to reserve (85.3%)
- The range/variety of food available in the restaurants at breakfast (85.2%)
- Quality of food available in the restaurants at breakfast (85.2%)
- Overall comfort of the room (85%)

When the analysed data were categorised into the nine hotels, the results also supported the findings above, and revealed that particular attention should be paid to:

- The range and variety of food available in the restaurants at breakfast (7 hotels)
- The time the staff take to check-in (6 hotels)
- General feeling of safety whilst in the hotel (6 hotels)
- The value which the hotel provides for the price paid by the customer (6 hotels)
- Air-conditioning/radiator in the room (6 hotels)
- The way messages are passed on to the customer (6 hotels)

The majority of respondents claimed that they were satisfied with all the facilities and services, particularly:

- The friendliness and helpfulness of the staff (85.3%)
- The care and consideration shown by the hotel (83.2%)
- General safety whilst in the hotel (82.1%)

When the analysed data were categorised into nine hotels, the results also confirmed that the majority of respondents were satisfied with the following facilities and services (each item received more than 90% of the responses, see also Appendix 4):

- The friendliness and helpfulness of the hotel staff
- General feeling of safety whilst in the hotel
- Availability of the type of room they wanted to reserve
- Care and consideration shown by the hotel
- Courtesy and helpfulness of the reception staff
- Cleanliness of the room and bathroom
- Positive attitude to customer requests
- Time taken to check-in

The majority of the respondents from all hotels expressed their intention to return to the hotel in the future, and stated that they would recommend these hotels to their friends.

7.8 Conclusion

The data analysis from the fieldwork provides an insight into RM in the Thai hotel industry. The development of a suitable questionnaire enabled the attitudes of guests in the hotels to be quantitatively measured. Coupled with qualitative interviews, the major aspects of hotel-customer relationships were explored. From these results, an initial relationship marketing framework was devised.

The next chapter will discuss the development of RM in the Thai hotel industry with a detailed analysis of the research results, based on the exploratory work conducted in this chapter. These results seek to uncover the underlying origins of relationships with customers in Thai hotels. The research objectives will be answered and the results will be discussed in relation to the existing literature.

By exploring the scope, nature and forms of relationship marketing in the hotel industry in Thailand, this study has made a contribution to the existing body of knowledge of relationship marketing. Therefore, the outcome of this research provides hoteliers with a greater understanding of customer-hotel relationships and contributes to building a model of relationship marketing for the Thai hotel industry, as is shown in the next chapter.

CHAPTER 8: DISCUSSION

The development of relationship marketing in Thai hotels

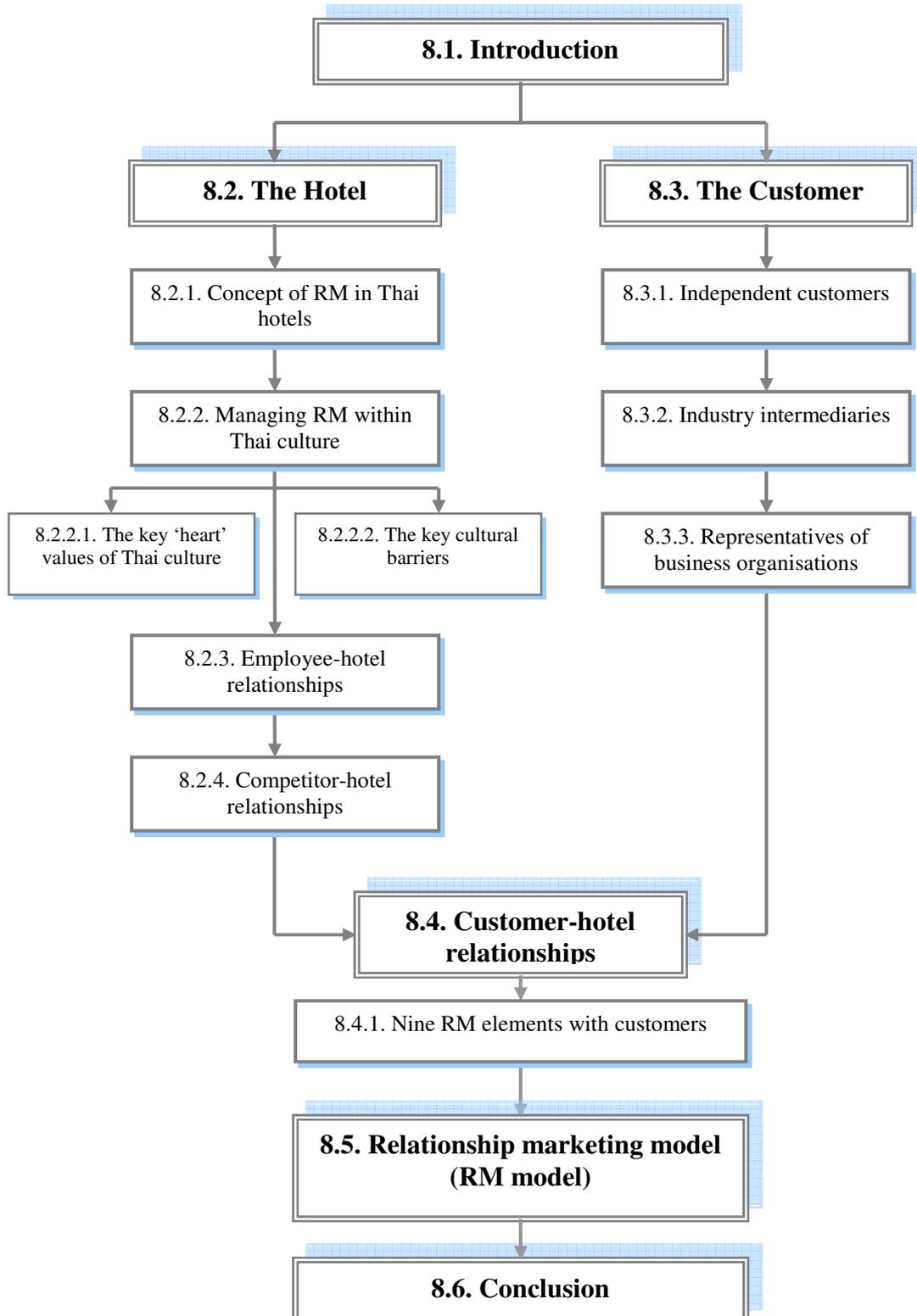


Figure 8.1: Structure of Chapter 8

8.1. Introduction

This chapter analyses the findings described in the previous chapter with reference to the existing research literature. It begins by examining the implementation of relationship marketing in Thai hotels and is followed by an exploration of the scope, nature and form of relationship marketing within the specific context of Thai culture. Employee-hotel relationships and competitor-hotel relationships are examined with respect to their influence on the practice of relationship marketing in hotels. The chapter subsequently explores the expectations, attitudes and opinions of a variety of customers regarding the performance, facilities and services offered by different hotels. It ends by outlining nine elements which the researcher perceives to be essential to the successful implementation of relationship marketing strategies. These elements are then incorporated into a relationship marketing model which provides a framework for the development of effective relationship marketing strategies within the Thai hotel industry.

8.2. The Hotel

The global expansion of the tourism sector has seen a concomitant growth of the hotel industry in Thailand. While this has generated significant profits for the Thai economy as a whole, it has also intensified the competitive nature of the marketplace. The retention of customers and the improvement of hotel performance as a whole is therefore more crucial than ever in order to build a sustainable long-term competitive position. As has been discussed in previous chapters, incorporating the most charismatic elements of Thai culture into the service offering and improving the quality of service are essential to meet this end.

The effective implementation of relationship marketing will enable organisations to develop strong relationships with new customers and maintain long-term relationships with existing ones. The data analysis conducted in this study reveals that general manager respondents are fully aware of the importance of relationship management in achieving success in the hotel business (Section 7.2.3) by means of facilitating communication between customers and hotels, and generating useful feedback on how to improve services and products. This may consequently improve the hotel's reputation by encouraging customer repurchase and attracting new customers, which will in turn have a positive effect on the financial performance of the hotel by reducing expenditure on marketing.

8.2.1. The concept of relationship marketing in Thai hotels

The research conducted in this study found that, despite a lack of familiarity with the terminology of relationship marketing, the general managers who were interviewed acknowledged the importance of customers in the customer-hotel relationship and frequently engaged in activities related to relationship marketing and service quality improvement on a practical level. Furthermore, many of the respondents who were interviewed claimed that they frequently incorporated certain aspects of the Thai personality into their offering to customers in order to effect improvements in service quality.

The findings also demonstrated the key role played by social networks in Thai society; all the Thai general managers who were interviewed emphasised the importance of maintaining good relationships with business contacts, ranging from suppliers and competitors to employees and customers. This awareness was manifested to a greater extent by the Thai general managers as opposed to the foreign general managers, and can be attributed to the value placed on social networks in Thai culture. The findings of the research also highlighted the influence of Thai cultural values on business relationships and the advantages and disadvantages that this may incur. For example, foreign general managers reported that the overwhelming respect for hierarchy that pervades Thai society sometimes hindered effective communication between superiors and subordinates.

According to the foreign general managers who were interviewed, the key characteristics of Thai culture are closely aligned with the principles of relationship marketing. This is especially true of the value placed on relationships, social networks and hospitality which, according to Gilbert et al. (1999) are important elements in relationship building. These elements are deeply embedded in the relationships with all hotel business stakeholders, including suppliers, customers, the government, employees, the community and competitors. The effective implementation of relationship marketing is therefore especially likely to reap benefits in the Thai hotel industry. General managers also focused on the economic benefits of relationship marketing and its potential to significantly increase the profits of the hotel by improving its reputation among guests, thereby reducing the expenditure on marketing and human resources.

8.2.2. Managing relationship marketing within Thai culture

As discussed earlier, Thai culture has a profound influence on relationship marketing in Thai hotels and is of critical importance in designing and implementing related relationship marketing strategies. This is in line with the views proposed by many researchers who suggest that cultural context is a significant influence on business performance (Hofstede 1984; Hall 1990; Adler 1991; Usunier 1993; Gilbert & Tsao 2000; Hendon 2001; Reisinger & Turner 2003) and propose that ‘an understanding of cultural characteristics should therefore form part of induction and training programmes’ (Mullins 1995 p.37). A failure to account for cultural differences in corporate strategy may lead to problems of confusion or misunderstanding (Reisinger & Turner 2003), an issue which was raised by several of the foreign general managers who were interviewed (Section 7.2.6). Therefore, an awareness of the key ‘heart’ values of Thai culture, namely, the values of ‘*kreng-jai*’, ‘*nahm-jai*’, ‘*jai-yen*’ and ‘*katanyu*’ and the key cultural barriers as expounded in Chapter 7, are essential in order to ensure effective management in the workplace.

8.2.2.1. The key ‘heart’ values of Thai culture

The findings of this study identified a number of occasions on which the key ‘heart’ values of Thai culture had an impact on the working relationship between Thai employees and the foreign general managers who were interviewed. A few of the examples that were cited illustrated the negative effect that a lack of sufficient understanding of the Thai culture had on the management of employees. Some of the opinions expressed by the general managers with respect to the influence of Thai culture in the workplace are outlined below.

1. Thai people are very ‘*kreng-jai*’, particularly to ‘*farang*’ (foreigners from Anglophone countries such as the United States, the UK, Canada, Australia, and New Zealand, and people from Western Europe).

‘*Kreng-jai*’ refers to an extreme reluctance to impose on anyone or disturb his or her personal equilibrium by direct criticism, challenge, or confrontation (see Section 5.4.1). It is a very important factor in maintaining harmonious social relationships (Niratpattanasai 2000; Pornpitakpan 2000; Mulder 2002; Gray et al. 2008).

This study found that the observance of *'krenng-jai'* among Thai hotel employees meant that there was a large amount of respect and obedience for superiors, and it greatly facilitated management efforts in imposing discipline. For the most part, the hotel staff performed their tasks without demur. However, a number of foreign general managers added that *'krenng-jai'* prevented effective communication between hotel staff and their superiors. Observance of *'krenng-jai'* meant that staff were often diffident in front of their superiors and unwilling to engage in open dialogue. This was highlighted as a particular problem by GM7 (see Section 7.2.6).

2. Thai people have a strong sense of *'nahm-jai'*

'Nahm-jai' (water that flows from the heart) refers to genuine, unconditional generosity, kindness, and hospitality, (Komin 1990; Niratpattanasai 2001; Shippen 2006, also see Section 5.4.1) and is generally believed to be the source of the characteristic Thai friendliness and hospitality. These traits are key elements in building, maintaining, and enhancing long-term relationships with customers and were praised by many of the general managers who were interviewed (Section 7.2.6). They claimed that these characteristics were particularly appealing to non-Thai guests. Some general managers even claimed that many of the most important aspects of hospitality and customer service which have to be taught in the West come naturally to Thai employees.

3. Thai people are *'jai-yen'* and tend to avoid direct confrontation with others

'Jai-yen' refers to patience and calm in the face of provocation or distress (Kamoche 2000, see Section 5.4.1) and is advocated by Thai traditional teachings. Thais believe that these virtues are necessary in order to maintain harmony in one's personal and professional life.

The front-of-house employees who were interviewed claimed that being *'jai yen'* enabled them to deal with customer complaints in a calm and professional manner (Section 7.3.3). It also helped them to avoid conflict in the workplace. According to the majority of general managers who were interviewed, this also made Thai staff much easier to manage (Section 7.2.6) and made it easier to reach compromises in the workplace.

4. Reciprocity of kindness or ‘katanyu’ is commonly practised in Thai society

‘*Katanyu*’ refers to the reciprocity of kindness and is a fundamental part of Thai society (Komin 1990). It is believed to be the root of any deep, meaningful relationship (see Section 5.4.3).

The majority of general managers who were interviewed opined that the reciprocity of kindness was of great practical use in maintaining good relationships with travel agencies and customers. They claimed to frequently return favours to the travel agencies with which they were in partnership, by, for example, regularly inviting them to social events.

8.2.2.2. Key cultural barriers

As discussed in Section 8.2.2, a failure to understand or acknowledge cultural differences may have a negative impact on relationships between employers and subordinates. This study identifies six cultural issues which were reported to present difficulties in the workplace.

1. Thai people ‘*hai-kiat*’; they respect the title and status of others

‘*Hai-kiat*’ is a Thai word which denotes giving respect, honour and ‘face’ to another person (Komin 1990; Niratpattanasai 2000, see Section 5.4.3) and stems from the strong sense of hierarchy in Thai society. Many of the general managers who were interviewed acknowledged that the establishment of a strong hierarchy encouraged Thai hotel staff to respect and obey their superiors (Komin 1990). However, Thais simultaneously expect others to treat them with a similar level of respect and etiquette, and may misinterpret certain elements of Western culture as being discourteous, which may cause friction. For example, Thais tend to interpret the typically forthright Western attitude as ‘inconsiderate’. A clear understanding of the importance of respect and a thorough knowledge of Thai etiquette is therefore necessary (Section 7.2.6).

2. Thai people do not like to express themselves publicly, particularly in the presence of foreign bosses

Many of the general managers who were interviewed revealed that Thai staff rarely confronted or argued with their superiors due to a fear of being disrespectful by engaging in reckless self-expression. While this generated a conflict-free work environment, it was

consequently extremely difficult for managers to know what their hotel staff were thinking, since many Thai employees preferred to keep quiet instead of raising an issue. The establishment of trust is therefore of paramount importance in professional relationships with Thai employees, and should help to stimulate open discourse by encouraging a more flat hierarchical structure (Section 7.2.6).

3. Thais are highly protective of their egos

Thai people have a very strong sense of self-respect and are very defensive when attempting to prevent violations of their self-dignity (Dodd 1987). The preservation of one's ego forms the basis of all Thai social interactions (Komin 1991; Niratpattanasai 2000). This stems from the emphasis on moderation and self-restraint in social interactions that typifies Thai culture. This is strongly reflected in the attitudes of Thai hotel staff; a number of general managers who were interviewed stated that they avoided publicly criticising the work of staff, particularly in the presence of others, in order to prevent them losing face. This strong sense of ego also partly accounts for the passive behaviour of hotel staff in meetings; employees are often afraid of losing face by making inappropriate speeches or actions in public. Failure to acknowledge the importance of ego in Thai society may not only affect morale among staff, it may also cause deterioration in performance and working efficiency.

4. Thai people are accustomed to 'sabai sabai' and 'sanuk'

According to a number of general managers who were interviewed (Section 7.2.6), the typically easy-going ('*sabai-sabai*') and fun-loving ('*sanuk*') attitudes of Thai hotel staff are translated into a preference for consistent working routines and an aversion to strict rules and pressure at work. This means that a number of relatively simple tasks take additional time to be completed, and respondents acknowledged that they needed to take into consideration the idiosyncrasies of Thai culture when managing staff. One respondent even recommended assuming a parental role in directing work, by endeavouring to impose discipline in order to improve efficiency, while simultaneously being aware of the emotional response of staff.

5. When Thai people say 'yes', it does not always mean 'yes'

Many of the foreign general managers who were interviewed came to the consensus that it is often difficult to discern the intention of a Thai person from what they say. This is due to the

prevalence of the *'krenng-jai'* attitude which involves avoiding a negative response at all costs. As GM14 revealed in Section 7.2.6, this often causes confusion, particularly to foreigners.

6. Social networking is highly valued in Thai society.

The general managers who were interviewed stressed that maintaining strong relationships with all of one's stakeholders - suppliers, competitors, employers, employees, governments, communities and customers – is essential. Social networks are therefore of great importance to hotels in terms of improving the effectiveness of marketing, providing a greater level of information, developing human resources, and minimising cost.

8.2.3. Employee-hotel relationships

Most general managers who were interviewed perceived employees to be a key component of the hotel's success since they are effectively ambassadors for the hotel and the direct point of contact with customers. They suggested that there is a direct correlation between the working performance of employees and the interests of the hotel and they therefore spent considerable time, effort and money in maximising employee's contributions. As discussed earlier, in a highly competitive service industry such as the hotel industry, the attitudes and behaviour of employees can be a key distinguishing feature from competitors. Reynose and Moores (1996) further point out that one of the key factors which leads to inconsistency between service quality and service delivery is poor teamwork. This study therefore underlines the importance of a strong employee-hotel relationship and suggests that hotels should pay attention to the perspectives of employees and their level of job satisfaction.

Although many organisations use the phrase, 'people are our most important asset', few translate this into action. While most of the hotels in this study acknowledged the importance of their employees in creating a successful business, only a few general managers met their employees every day (Section 7.2.4) because they were often too occupied with other aspects of hotel management. This was particularly true of general managers at large hotel groups who had to contend with a more complex organisational structure and thus typically had higher staff turnover. However, all of the general managers who were interviewed stated that they intended to take substantial measures to improve employment relationships and had established routines to meet their senior staff on a daily basis.

The general managers who were interviewed identified constant contact and communication as being conducive to forming strong employment relationships and valued educating and training their employees. One of the most effective methods of communication which were cited were regular brainstorming sessions with staff to analyse customer feedback (Section 7.2.4). The results of the study also suggest that staff training should be given a high priority and be guided by a systematically structured approach. Training should aim to improve the interpersonal skills and attitudes of employees in order to enhance staff and customer relations.

The majority of general managers who were interviewed emphasised the importance of empowering employees, since this enables hotels to control both the organisation and their employees while simultaneously providing excellent service (Bowen & Lawler 1992). The findings suggest that empowerment should focus on providing employees with knowledge of how to accurately meet the needs of customers and resolve problems in an efficient manner. They should be encouraged to make decisions on their own rather than relying on their supervisor, which will boost their confidence and give them a sense of responsibility; any mistakes should only be met with constructive criticism. The study found that many hotels empowered their staff to independently resolve problems in accordance with changing circumstances (Section 7.3.3).

The front-of-house personnel who were interviewed claimed to be satisfied with their relationship with their superiors (Section 7.3.4), which can probably be attributed to the strong sense of hierarchy in Thai society (Section 8.2.2.2). Some employees even referred to their superiors as their 'idols' and a behavioural role model that they wanted to emulate. It is important for hotel superiors to be aware of the important role they play in motivating their subordinates and act accordingly.

A fundamental tenet in organisation theory is that a strong organisational culture and positive internal relationships are necessary to achieve permanent and lasting improvements (Hrebiniak & Alutto 1972; Corthouts 1991) in performance. The general managers agreed that organisational culture is a significant influence on employee attitudes. They therefore attempted to construct a friendly and hospitable working environment for employees in the hope that this would inspire employees with greater enthusiasm and sense of responsibility.

The ultimate aim of such a strategy is to strengthen emotional connections between employees and the hotel, while also boosting their loyalty to the hotel.

The study also found that good salary and benefit programmes are very important in motivating employees. The general managers who were interviewed claimed that their hotels regularly provided salary raises, benefit programmes and rewards in order to improve employee satisfaction and encourage them to work more efficiently, which in turn increased customer satisfaction.

8.2.4. Competitor-hotel relationships

Good relationships with competitors are crucial to the growth and prosperity of a hotel (Bernal et al. 2002). Previous research (Lorenzoni & Baden-Fuller 1995; Johnsen & Johnsen 1999; Bernal, Burr & Johnsen 2002) has identified that networking provides a benefit to a business by enabling it to share resources such as technology, development and expertise. Due to the highly competitive nature of the hotel industry, it has become increasingly difficult for small hotels to compete without a network of associates (Doernte 1999; Knight 2000). Forming lasting relationships with other hotels and gaining access to their resources is therefore critical in improving efficiency and effectiveness (Gadde & Håkansson 2001).

The general managers who were from small, individually owned hotels confirmed the importance of strong relationships with competitors, and claimed that they occasionally teamed up with other small hotels to compete with big chains by sharing opinions and exchanging information, as well as helping each other in terms of marketing, human resources, and finance. According to Johnsen and Johnsen (1999), this allows for many opportunities for inter-firm learning, and a strong network can enable individual hotels to brave challenges from larger competitors.

The results of the interviews also suggested that hotels are constantly engaged in comparing, observing and duplicating their competitors' actions in order to evaluate and improve their own hotel performance; these activities were perceived to be a necessary means of collecting information and gaining competitive advantage. Some hotels even sent their staff to stay overnight in competing hotels to collect information on room occupation rates, room prices, employee salaries, staff benefits, renovations, and hotel policies.

8.3. The Customer

The term 'customer' in this study refers to independent travellers, travel agencies, and representatives of business organisations. The following section examines each type of customer and focuses on their perceptions of hotel performance.

8.3.1. Independent travellers

As reported in Chapter 7 (Sections 7.6 and 7.7), most customers use travel agencies, recommendations from friends and relatives, and previous travel experience to choose the hotel they want to stay in. The hotel customer survey conducted by this study indicated that using a travel agency is the most popular means of choosing a hotel (28.2%, see also Table 7.5); the significant role played by travel agencies is reflected in the interviews conducted with general managers, who viewed travel agencies as an extension of their sales team and as key elements in attracting new business.

The findings of the survey reflected the importance of word-of-mouth recommendations in choosing a hotel; 18.7% of respondents consulted their friends or relatives before making a decision (see Table 7.5). Friends and relatives are usually treated as trustworthy and reliable sources of information; indeed, Silverman (2001) believes that the power of word-of-mouth lies in the credibility and independence of the source.

The findings of the study also revealed that previous travel experience influences customers' decision-making process in choosing a hotel; 'experience of previous visit' (14.9%, see Table 7.5) was listed as the third most reliable information source in choosing a hotel. This proved the assertions of previous research (Zeithaml et al. 1993; Oliver 1997; Oliver & Burke 1999).

The study found that levels of customer satisfaction or dissatisfaction, complaints (to the hotel or others), and word-of-mouth recommendations (Oh 1999; Kim et al., 2001; Kim & Cha 2002) significantly influenced customers' perceptions of the hotel. The most important customer expectations that needed to be met by the hotel included the 'cleanliness of the room and bathroom' (89.9%), 'general feeling of safety whilst in the hotel' (88.2%), 'the friendliness and helpfulness of the hotel staff' (87.2%), and 'time taken to check-in' (86.7%, see also Summary of Part C). The study also found that customers evaluate their satisfaction

with the hotel on the basis of various measurements – ‘the friendliness of the staff’, ‘general feelings of safety whilst in the hotel’, the ‘availability of the type of room they had reserved’, whether the ‘hotel is taking everything into consideration’, the ‘courtesy and helpfulness of the reception staff’, the ‘cleanliness of the room and bathroom’, the ‘room being free from unpleasant odours’, whether the ‘staff meets customer requests with a positive (‘can do’) attitude’, and ‘the time taken to check-in’ (Summary of Part C).

The findings from the interviews demonstrate that the majority of respondents expect a warm welcome, safety, and a quick check-in on their arrival. Recognition by staff was also identified as an important factor in influencing customers’ perceptions of the service provided. One customer (IC5, Section 7.6.3) recalled the reason that he repeatedly stayed in the same hotel was due to the recognition he received from the hotel staff which made him feel like he had an emotional connection with the hotel. Respondents reflected that what they liked most about their hotels was the friendliness of the staff, the warmth of the service, the convenience of the location, reasonable prices, access to the Internet, and access to a television with a range of international channels.

8.3.2. Industry intermediaries (travel agencies)

The travel agencies which were interviewed had been in partnership with the hotels for at least five years, and appeared to have systematic criteria for selecting which hotels they wanted to work with. These criteria consisted of price, the location of the hotel, the quality of the hotel’s products and services, the demands of customers, a good history of cooperation with management, and a good relationship with hotel staff (Section 7.4.2). Of these, most of the travel agencies claimed that a good personal relationship with the general manager or director of sales was the most important influence in their decision-making and would override other considerations, such as price or location. However, many of the general managers who were interviewed believed that low prices, rather than the quality of the relationship, were the most important factor in the establishment of a long-term relationship between hotels and travel agencies. This discrepancy in views may lead to misunderstanding between both parties, and general managers may fail to perceive the importance of the social and personal elements of their relationships with travel agencies. This may cause damage to existing relationships and may make it harder for hotels to establish relationships with new travel agencies in the future.

8.3.3. Representatives of business organisations

Representatives of businesses who use the hotels for corporate functions usually choose which hotels to stay in based on the quality of service, the price, and the location of the hotel (Section 7.5.2). The majority of business representatives claimed that high quality of service was the most important factor when choosing a hotel, and they preferred to have a long-term stable relationship with a hotel which provided facilities and services that consistently met their expectations. This echoes the views of the travel agencies which were interviewed.

8.4. *Customer-hotel relationships*

As mentioned previously (Section 4.6.2.2), customers evaluate the quality of service they receive from their hotel by comparing their expectations of the service with their perceptions of the service after they have received it. If their expectations are met, they believe that they have received a high quality of service and are therefore more likely to be satisfied. The study found that hotel customers have different criteria for judging service providers and evaluating the treatment received; understanding customer expectations is therefore essential in order to design effective hotel marketing strategies (Chu & Choi 2000; Hartling et al. 2003). As indicated in Section 7.7.2, customer expectations are generally higher than levels of customer satisfaction in all areas. Customers are more likely to be satisfied if the price-quality relationship is acceptable and they have a strong personal relationship with the hotel (Hartling et al. 2003) - this is likely to encourage them to return to these hotels in the future (Kotler et al. 2003; Lovelock et al. 2005; Grönroos 2007).

A thorough understanding of the needs and wants of customers is essential in order to ensure customer satisfaction (Jackson 1985; Chu & Choi 2000; Hartling et al. 2003). However, it does not necessarily guarantee customer loyalty (Morgan & Trivedi 2007). Customer loyalty requires the maintenance of stable and mutually-committed relationships which in turn requires the development of deep emotional connections with the hotel. Customers who are dissatisfied are likely to react negatively and the word-of-mouth effects which result from poor hotel performance can generally cause much more damage than those resulting from positive performance (Cronin 2003).

The majority of general managers who were interviewed admitted that their understanding of customers' needs was obtained from customer feedback. This allowed them to incorporate relationship marketing elements into their business operations and interactions with customers in order to enhance customer satisfaction and thereby increase customer retention and customer loyalty. This study attempts to combine the relationship marketing elements proposed by general managers (Section 7.2.3) with those elements extracted from customer respondents (Section 8.3) in order to form a holistic theoretical framework of relationship marketing in Thai hotels.

Nine key relationship marketing elements

It is clear that the hotels which participated in this study have attempted to take advantage of the capabilities of relationship marketing in order to improve and maintain customer-hotel relationships as discussed in Section 7.2.3. The researcher believes that there are nine key relationship marketing elements which are essential in order to maintain good relationships with customers, whether they are independent travellers, travel agencies or business representatives. Elements 1 to 6 are mainly applicable to independent travellers, and elements 7 to 9 are more applicable to travel agencies and representatives of business organisations.

1. Thai personality

It has been demonstrated that certain characteristics of the Thai personality have a positive influence on the service delivery of staff. The majority of respondents believed that the Thai personality is conducive to improving the quality of hotel services (Section 7.2.3.4) as well as being a major attraction to non-Thai customers. Both foreign and Thai general managers were impressed by the level of compatibility between the hotel business and the Thai personality to the extent that many successful hotels in countries such as Dubai, the UK, and the Maldives, employ Thai staff as front-of-house personnel or managers (Section 7.2.3.4).

These findings support Feather's research (1982), which suggests that caring and courtesy are the most important factors in the acquisition of customer satisfaction. Winsted (1997) further adds that courtesy, formality of service, friendliness, personalisation of service, and promptness are also important to the evaluation of service encounters. A combination of long-standing Buddhist and traditional values, which are grounded on genuine kindness and a

sincere concern for the well-being of others, forms the core of Thai personality, which is a significant influence on relationships in Thailand (Section 5.5.1).

Table 8.1 lists the Thai personality traits which are perceived to be the most important contribution to the country’s appeal to tourists. As can be seen in the table, ‘friendliness’ was the answer which was most frequently given by general managers when asked which trait most attracted tourists, followed by ‘courtesy’, ‘attractive demeanour’, and ‘helpfulness’.

Table 8.1: Summary of Thai personality traits that most attract tourists

Thai personality traits that attract tourists (from general managers’ point of view)	General managers of eighteen hotels
- Friendliness	GM1, GM3, GM6, GM9, GM14, GM16, GM18
- Courtesy	GM1, GM3, GM6, GM9, GM16, GM18
- Attractive demeanour	GM1, GM9, GM14, GM16
- Helpfulness	GM1, GM2, GM16, GM18
- Kindness	GM6, GM18
- Hospitality	GM4, GM6
- Warm greeting	GM2, GM14
- Down-to-earth nature	GM6, GM9
- Desire to serve customers	GM6, GM18
- Caring nature	GM6, GM9
- Sincerity	GM6

The findings of the study are aligned with the findings of Reisinger and Turner (2003) who conclude that the quality of tourists’ interactions contributes to their experiences and perceptions of their holiday destination. The general managers who were interviewed claimed that the Thai personality contributes to the delivery of high-quality services by hotels and thus promotes customer loyalty. Hotels should therefore acknowledge the practical importance of the Thai personality and should take measures to promote it among hotel staff, by means of appropriate training and motivational programmes (Section 7.2.4).

2. Quality of service

This study found that customers who are happy with the services provided by hotel staff are more likely to be satisfied, revisit the hotel in the future and recommend the hotel to their friends and relatives (see Summary of Part C). As has been discussed in Section 3.6.3, excellent service is of critical importance to the sustainable development of the hotel business and plays a key role in retaining customers, increasing customer loyalty, encouraging repurchase and positive word-of-mouth, and raising profits. This study detects a close correlation between quality of service and customer satisfaction; this is in line with previous research which indicates that the interaction between hotel staff and customers is a vital component of product delivery (Piercy 1995; Johnston 2004). Grönroos (1983) argues that staff performance constitutes a large component of service, and is often used by guests as an indication of the overall quality of a hotel. Maintaining a high standard of service is therefore a major element which hotels need to ensure in order to satisfy customers, retain long-term relationships, and maintain customer loyalty.

The front-of-house staff, in particular, play an important role in anticipating customers' needs, customising service delivery, and building personal relationships with customers. The study found that customer satisfaction increases significantly with a higher level of friendliness and helpfulness from the staff (Section 7.6 and Summary of Part C). The work of Hubrecht and Teare (1993) reveals that a customer's decision to revisit a hotel is closely correlated with the impression acquired during their arrival process, namely, first impressions, speed of check-in, welcome, smiles, acknowledgement by staff, and the porter service.

The results from the survey further indicate that customers expect hotels to pay particular attention to certain components of hotel facilities and services, such as 'the time taken to check in', 'availability of the type of room reserved', and 'friendliness of the hotel staff' (Summary of Part C). Promptness or timeliness is an important element in evaluating a service encounter (Solomon et al. 1985; Taylor 1994) and is a key component of the responsiveness dimension in SERVQUAL (Parasuraman et al. 1988). In this study, three five-star international chain hotels (Hotel 2, 4, and 6), two four and five-star national chain hotels (Hotel 7 and 11), and one five-star individually owned hotel (Hotel 13) provided express check-in and check-out services in order to reduce the waiting time of customers (see Table 7.1, 7.2, and 7.3). Promptness of service can also be achieved by ensuring that hotel staff are

well-trained and can provide up to date and accurate information in order to ensure that customers are well informed of what is on offer. This is referred to as a 'one stop service' and has been implemented by a number of hotels which participated in the study. Front-of-house respondents confirmed that customers were served more efficiently as a result and any problems or issues were resolved quickly and effectively (Section 7.3.3).

As discussed in Chapter 4, trust between customers and hotel staff is particularly important due to the intangible nature of the services provided; the general managers who were interviewed claimed that there is a close positive correlation between customer loyalty and their trust in a hotel. Such trust can be achieved by ensuring that hoteliers maintain regular communication between the hotel staff and the guests. Indeed, many researchers have found that communication has a positive indirect effect on the quality of the relationship (Anderson & Narus 1990; Morgan & Hunt 1994), and communication has been cited as a component of perceived service quality by Parasuraman et al. (1985).

It can be therefore concluded that excellent service delivery pleases customers and transforms customer satisfaction into trust and loyalty. The findings suggest that independent customers who have a higher level of satisfaction are more likely to revisit the hotel in the future, given that it continues to provide efficient and high-quality service and the members of staff are friendly, helpful and considerate.

3. Personal attention

Most general managers who were interviewed from chain hotels suggested that personal attention is a key element of relationship management, and can serve to increase customer satisfaction, stimulate customer repurchase, attract new customers by word-of-mouth recommendations, build the reputation of the hotel, and enhance customer loyalty (Section 7.2.3.4). Indeed, evidence shows that personal attention significantly contributes to the reputation of hotels: some Thai hotels have received the 'World's Best Hotel' classification while others are listed among the 'Top 100 Hotels' by Travel+Leisure Magazine and other organisations (Section 2.4.4). The judging criteria were based on the quality of the hotel's products and services and, in particular, for the personal attention shown to their customers.

Personal attention encompasses the ‘recognition of a customer’s uniqueness’ (Surprenant & Solomon 1987, p.87), the use of a customer’s name (Goodwin & Smith 1990), and response to a customer’s needs (Brown & Swartz 1989). While aspects such as safety and cleanliness are also important for customers (Knutson 1988; Taninecz 1990; Qu & Li 1997), they are perceived to be more of a basic requirement that every hotel company needs to fulfil and would not be a reason for a customer to choose to stay in one hotel rather than another (Warren & Ostergren 1995; Cetron 2001; Baron & Harris 2003). Furthermore, different attributes may be valued differently by individual customers: some customers may prefer rapid service while others may prefer to be treated with extra care or attention. This is demonstrated by the fact that Asian and Thai customers typically have higher expectations of hotels than their Western counterparts. These issues and their impact on customers should be seriously considered by hotels. Personal attention is a key element in the development and maintenance of long-term relationships with customers.

The professional experience of general managers shows that customers are impressed when they receive direct attention from general managers or other senior officers, since they interpret this to be a sign of respect. In order to provide customers with a high level of personal attention, most of the five-star hotels which participated in this study (see Table 7.1, 7.2, and 7.3) provided their VIP guests with butlers. Some four-star hotels also employed a guest relations officer who fulfilled a similar role. The majority of employees had worked in this role for more than 10 years (Section 7.2.3.4) which enabled them to build strong relationships with customers, particularly with repeat guests. The general managers confirmed that repeat customers generally request services from hotel staff with whom they are familiar. They therefore endorsed the development of personal attention schemes and specifically designed training programmes for staff, since personal attention to customers can help to distinguish a hotel from its competitors.

However, this study identified cost as a possible obstacle to paying a high degree of personal attention. The individually owned hotels which participated in this study placed greater emphasis on factors such as the quality and provision of service and relied heavily on repeat business and word-of-mouth referrals, due to the limited amount of capital available. Although they agreed with the importance of personal attention in building customer relationships, general managers from individually owned hotels claimed that the cost of employment, the limitation of human resources and the lack of financial means often hindered

them from doing so. This complies with the findings of many researchers (e.g. Gilpin 1996; Glancey & Pettigrew 1997) which suggest that individually owned hotels rely more on personal recommendations and repeat visits. Many hotels are therefore cautious when balancing cost reductions and employing measures to increase customer satisfaction. 'Managers need to be aware of the risk that cost-cutting measures driven by finance and operations personnel without regard for customer needs may lead to a perceived deterioration in quality and convenience' (Lovelock et al. 1999, p.13). Hotels with adequate financial resources should therefore establish butler or guest relations positions in order to facilitate the delivery of customer services and increase customer satisfaction. However, hotels lacking suitable resources are recommended to implement training schemes to equip hotel staff with the necessary knowledge and skills when dealing with customers.

4. Customer recognition

Customer recognition is a core element of relationship marketing strategy since it can significantly contribute to the emotional connection between customers and hotels. The findings from the interviews conducted with independent customers disclosed that repeat customers appreciated recognition from hotel staff and felt more relaxed and happy when they were welcomed and served by familiar people (Section 7.6.3).

Customer information management is of critical importance in the customer recognition process (Stone et al. 1996; Gummesson 2002; Harwood et al. 2008). All of the hotel chains and some of the individually owned hotels which participated in this study had a computerised database to store customers' records and facilitate customer recognition (Section 7.2.7). The most commonly used software was Customer Relationship Management (CRM) and the main sources of customer information were check-in registration forms. The hotels used computer programmes to record customer information, including names, addresses, phone numbers, and customer purchase history. The programmes could also be used to record other personal information such as customer preferences which the respondents perceived to be of practical use in service delivery.

Through the use of modern technology, hotels are not only able to recognise customers quickly and thus enhance their loyalty towards the hotel, they are also able to use this information to deliver services in a more personalised and considerate way. The utilisation of

such technology is also of value in areas such as marketing, human resource management, finance, and service delivery (Section 7.2.7).

The findings of this study reveal that customers perceive customer recognition to be an important reference point when evaluating their relationships with hotels (Section 7.6.3). They perceive personalised service to be an indication of care and respect. Hotels should therefore focus on customer recognition as a key relationship marketing element and apply it in their interactions with customers in order to facilitate the building of long-term relationships. Hotels should also be aware that customer information management programmes need to be updated constantly to suit the specific purposes and needs of the hotel.

5. Product improvement

The general managers interviewed in this study admitted that they were often afraid of disappointing and losing customers and agreed that improving the products on offer was a useful way of meeting customer expectations and improving their relationships with customers (Section 7.2.3.4). Research by Heskett et al. (1997) reveals that excellent service needs to be complemented by high quality products in order to meet the expectations of customers. Therefore, constantly improving products and services, and employing new technology to do so, is essential in the development of long-term relationships with customers.

Research reveals that the first impressions of a hotel are very important (Knutson 1988; Bitner 1992; Powers 1995; Dube & Renaghan 2000). The exterior and interior appearance of a building, in particular, can create a strong first impression (Bitner 1992; Mudie & Cottam 1999; Lovelock et al. 2005; Ottenbacher 2007). Many of the hotels in the study therefore strive to improve the appearance of the building by landscaping, interior furnishing, and improving the presence and manner of staff members in an attempt to impress their customers. Renovation and innovation are essential to the hotel business. GM7 in particular claimed that constantly improving products is essential in order to be a market leader and suggested that a hotel needs to be both stylish and sophisticated in order to succeed (Section 7.2.3.4).

Many studies have also revealed that cleanliness is an important factor when selecting accommodation (Knutson 1988a; Taninecz 1990; Greathouse et al. 1996; Qu & Li 1997) and indeed, the results of this study revealed that the cleanliness of the room and bathroom is one of the most important factors for independent travellers when choosing a hotel.

6. Creativity

Creativity is one of the key elements in building long-term relationships with customers. Lovelock et al. (2005, p.30) suggest that in a highly competitive service market, a business can only achieve success by continuing to 'rethink the way they do business, looking for innovative ways to serve customers better, and taking advantage of new developments in technology'.

The hotels in this study engaged in various creative activities in order to serve the needs of customers. This included providing customers with a shuttle bus to the airport or main tourist attractions, providing guests with a taxi calling service, providing access to free gym or fitness services and granting free internet access (see Table 7.1-7.3). Some hotels set up loyalty programmes that enabled regular customers to receive discounts, thus allowing them to sustain long-term relationships with their most loyal customers (Diller 2000). However, in order to be effective, these loyalty programmes need to be actively promoted via the internet in order to significantly increase customer satisfaction and loyalty.

The findings of this study suggest that creativity is of particular importance in individually owned hotels. Many individually owned hotels provide non-standardised rooms and services which are decorated in a unique style, and might appeal to customers who are keen to escape from the uniformity of chain hotels.

It is therefore essential for hotels to constantly engage in creative activities in order to improve their products and services. This includes hotel renovation, providing a greater variety of food to customers, offering creative promotional packages, providing new styles of room decoration, and supplying quick, efficient, and innovative service.

7. Trust and commitment

As discussed in Section 4.6.1, trust and commitment are key relational constructs in establishing, developing, and maintaining long-term relationships with customers and other stakeholders (Morgan & Hunt 1994). This is also true of establishing long-term relationships with travel agencies and representatives of business organisations.

Travel agencies are of paramount importance in the hotel industry as they are the middlemen who connect the hotel with its customers. They are also often the first source of advice for customers who are choosing a hotel. Hotels often find it cost-effective to delegate certain tasks to agencies and thus rely heavily on them to handle certain customer interactions. It is therefore essential for hotels to maintain strong relationships with travel agencies.

Trust and commitment are two highly interrelated notions (Kumar et al., 1995) and can lead to the development of a strong relational bond between the hotel and its intermediaries. Trust is usually centred on friendship, commitment and mutual understanding and may lead to a strong and long-lasting relationship (Batonda & Perry 2003). Hotels should therefore ensure the presence of trust and commitment in their relationships with other parties, in particular, travel agencies. Some travel agencies which were interviewed claimed to have had unpleasant experiences when dealing with hotels which appeared to be insincere and uninterested in developing a long-term relationship (Section 7.4.3). The consistent fulfilment of promises and contractual obligations is essential in order to ensure the development of trust.

Hotels also value strong relationships with businesses due to their significant contributions to hotel sales. Unlike other hotel customers, businesses often use hotel facilities and services for corporate functions. The interviews that were conducted revealed that business customers usually intend to revisit the same hotels and reuse their facilities and services in the future, provided that the hotels continue to meet their requirements. Customer satisfaction is therefore essential in maintaining hotel-business relationships, and can be attained by ensuring a high quality of products and services, which a number of business customers identified as being even more important than price (Section 7.5.3). Business customers are therefore keen to develop long-term cooperative relationships with hotels based on reciprocal trust and commitment. Trust is a prerequisite of loyalty; commitment does not only consist of revisiting the hotel in the future but also helping to improve the hotel's reputation by word-of-

mouth. Trust and commitment are therefore critical in building relationships between hotels and business customers. Blankenburg (1995) suggests that within the hotel business the emergence of mutual commitment in relationships leads to the development of mutually dependent activities, increasing the level of mutual productivity and service. Uncertainty in the relationship is reduced, resource utilisation efficiency is increased and value for both parties is generated (Sarkar et al., 1998).

8. Friendship

A number of researchers (e.g. Poon 1998; Rayman-Bacchus & Molina 2001; Munoz et al. 2002) indicate that travel agencies are a crucial component of the marketing mix of most hotels. However, the results of the research conducted in this study reveal that hotels and travel agencies perceive their relationships in slightly different ways. The general managers of hotels believe that offering lower prices will help to maintain long-term relationships with travel agencies (Section 7.2.3.5). In contrast, travel agencies believe that friendship is the key to maintaining their long-term relationships with hotels, since a strong personal relationship with the general managers and staff is often necessary in order to resolve problems that may arise. This supports the argument of Grönroos (1994), who indicates that personal relationships have an important impact on the interaction experience.

Both hotels and travel agencies therefore both strive to build strong mutual relationships; the general managers who were interviewed regularly visited overseas travel agencies since their hotels enjoyed significant financial benefits from the customers attracted by these agencies. They also benefited from the convenience achieved by working with agencies, which enabled the hotels to save the time and expense which would usually be spent on marketing and human resources. The importance of agencies to the hotel business therefore encourages many hotels to invest a significant amount of time and effort in their relationships.

The importance placed on friendship by the interview respondents can be attributed to the fact that, within Thai culture, friendship and the reciprocity of favours is a key component of business relations. The Thai language is rich in expressions which reflect the degree of involvement and willing self-sacrifice which characterises friendship (Niratpattanasai 2001). This may go some way towards explaining the level of commitment between travel agencies and hotels; travel agencies are committed to recommending hotels to their clients because,

according to the Thai adage, '*tong chuai phuan*' – 'one must help one's friends' (Section 5.4.3).

The results received from the interviews suggest that the majority of travel agencies are highly satisfied with the level of service offered by hotels. Many travel agencies stated that the hotels always responded quickly to any issues regarding their clients' needs and wants, such as requests for a room with a river view, while some agencies claimed that they had never received any complaints from their clients throughout their relationship with the hotels (Section 7.4.3). The agencies were therefore willing to reciprocate such favours by recommending the hotel to new customers. According to the work of Patterson and Smith (2003, p.109) 'national culture is important in dealing with service quality and satisfaction because of the manner in which people from high context, collectivist societies such as Thailand, China, Indonesia, or Korea, for example, establish and maintain relationships'. Collectivist cultural norms compel people to maintain good relationships unless they turn out to be very unsatisfactory (Patterson & Smith 2001; Money 2004). Friendship is therefore a fundamental element in maintaining long-term relationships with parties such as travel agencies and businesses.

9. Social networks

As discussed previously, in Thai society, social networks are a crucial element in building relationships with industry intermediaries and representatives of business organisations. Indeed, Gummesson (1996, p.6) defines relationship marketing as 'marketing seen as interactions, relationships and networks'.

The need to provide a high quality of products and the costs which are associated with this forces many hotels to collaborate with their clients, their suppliers and their competitors (Hastings 1993), and the quality of these relationships can have a significant effect (Christopher et al. 2002). Membership of a network allows each party access to important resources as well as allowing them to share control over technological, operational and marketing assets, and gain access to the experiences and expertise of others (Hastings 1993; Lamming 1993).

Networks may be characterised by the presence of trust between parties, a high level of commitment to relationships, mutuality of interests and interdependency in the capabilities of firms (Alajoutsijärvi et al. 1999; Ford et al. 2001). These characteristics are much more significant in Asian society since ‘the Asian belief in networks of interpersonal relationships suggests that cultivating trust and maintaining favours may be far more significant in customer retention than compensation, an approach that may be more effective in a Western, transaction-based marketplace’ (Wong 2004, p.962). The findings of the study suggest that social networks are of particular importance to individually owned hotels which have fewer resources and less reputation than chain hotels. Thus, in order to ensure financial success, hotels have to maintain good relationships with all of their social contacts.

All nine of the aforementioned elements are vital in maintaining and developing long-term relationships with customers. This study attempts to incorporate these elements into a relationship marketing model for the Thai hotel industry, which is discussed in greater depth in the following section.

8.5. Relationship marketing model for the Thai hotel industry

This section introduces an original relationship marketing model which was developed by the researcher for the Thai hotel industry. This model aims to assist hotels and marketers in understanding the concept of relationship marketing and aims to provide them with guidance on how to incorporate suitable relationship marketing elements into their corporate strategy. The model includes suggestions on how to improve the quality of the hotel’s services and products, and how to increase customer retention and loyalty. Given that the research was solely conducted in Thai hotels, this model is of practical use to the hotel industry in Thailand and is able to provide important insights into the effective management of long-term relationships with customers in the context of Thai culture.

The centre of the model consists of the core component of the service/products provided by hotels to their customers (see Figure 8.2 below). ‘**Service**’ in this model refers to an act or performance offered by a hotel to a customer (Section 3.6.1). ‘**Product**’ refers to the tangible goods that accompany the intangible services which are provided by the hotel (Kotler 2003), such as a bed and mattress, food and drink, and other facilities and amenities in the hotel

room. The delivery of an excellent service/product requires hotels to have an in-depth understanding of customers' needs and wants.

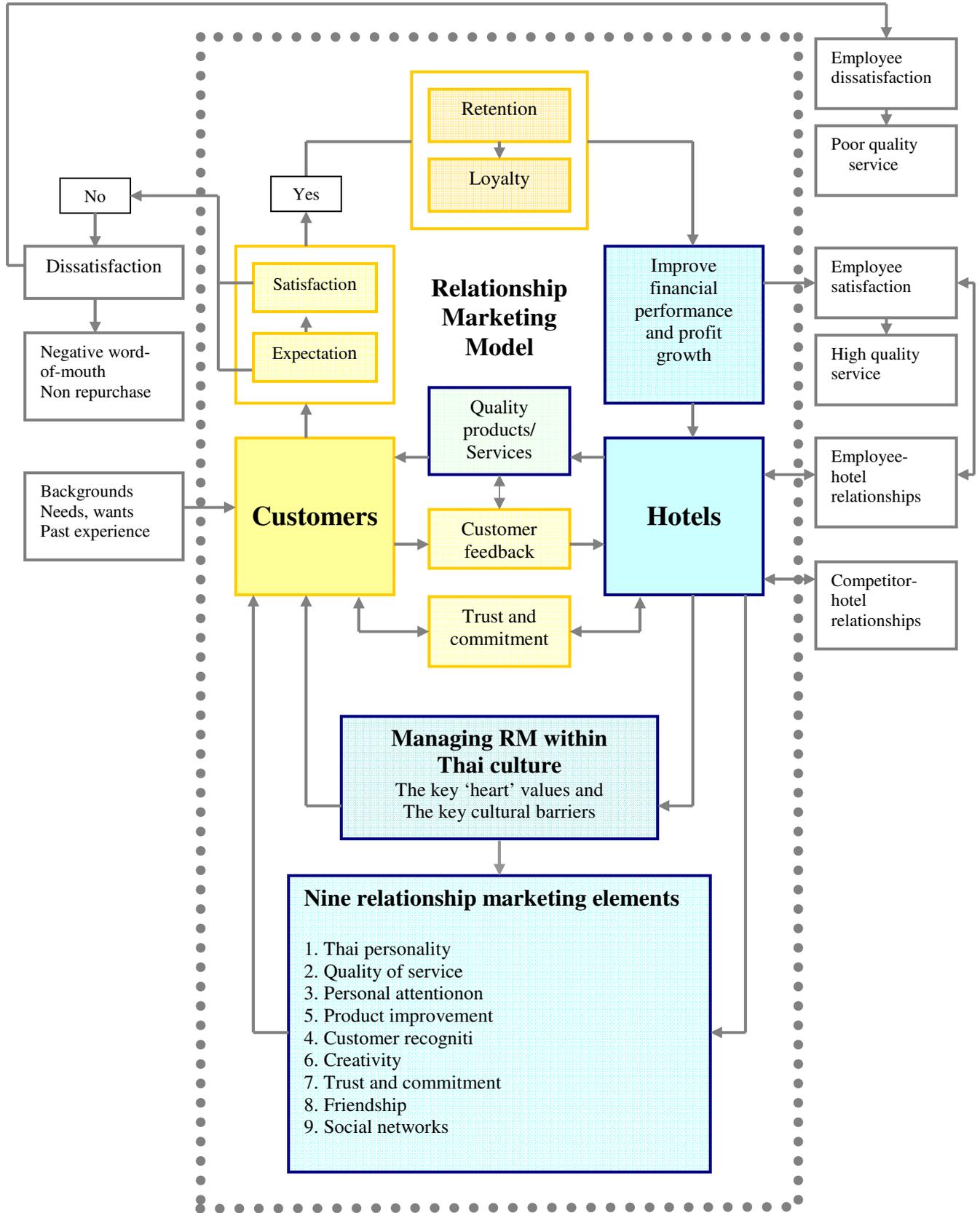


Figure 8.2: Relationship marketing model for the Thai hotel industry

The **customer** element of the model (shaded yellow) refers to three types of customers: independent customers, industry intermediaries (travel agencies), and representatives of business organisations. Failure to meet customer **expectations** leads to an increase in customer **dissatisfaction**, which consequently damages the hotel's reputation through **negative word-of-mouth** and results in **non-repurchase** (Henning-Thurau & Hansen 2000). Hotels should therefore continuously engage in the activities of increasing customer **satisfaction**, preventing customer disappointment, and building stable long-term relationships with customers by implementing relevant relationship marketing strategies. **Customer feedback** plays a pivotal role in the evaluation of service. As the model indicates, if customers feel satisfied with a hotel, they are more likely to use it in the future and recommend the hotel to their friends and relatives (Summary of Part C). The level of **trust** and **commitment** they feel towards the hotel increases, which is important in ensuring customer **retention**, increasing customer **loyalty**, service/product repurchase and the successful **financial performance** and **profit growth** of the hotel, as is indicated by the box at the top of the model which links customer satisfaction, retention and loyalty.

'**Hotel**' in the model refers to national chain hotels, international chain hotels and individually owned hotels in Thailand. Effective and efficient hotel management requires a thorough knowledge of cultural influence and an awareness of the importance of social networks and social interactions in Thai society. The **key 'heart' values** of Thai culture (see Section 8.2.2.1) are particularly vital in managing relationships with Thai people and with customers. This model therefore emphasises the importance of having sufficient knowledge of Thai culture and putting this knowledge to practical use; this is particularly the case for foreign general managers who need to be aware of the **key cultural barriers** that may exist.

Aside from cultural factors, there are a number of other factors which influence the relationship marketing strategies of hotels. This study draws attention to **employee relationships** since the relationships between customers and hotel employees significantly influence customers' perceptions of the hotel (Gummesson 2002). In order to acquire satisfied and loyal customers through an emphasis on relationship marketing, the hotels have to ensure **employee satisfaction** and **employee loyalty** through the equally intensive management of internal relationships (Gummesson 2002). Effective human resource management techniques are fundamental in supporting and enhancing employee commitment, which is the most central element in the delivery of a **high quality service** to customers. The model proposes a

number of strategies for hotels to improve relationships with their employees (Section 8.2.3). Another important factor is the relationships of hotels with their **competitors**; developing and maintaining strong connections with competitors is vital to the success of a hotel (Section 8.2.4).

Although the initial acquisition of a customer is always important, sustaining this relationship in the long term is a much greater challenge (Gummesson 2002). From an analysis of the data collected from hotel general managers and from the three categories of customers, the study identified **nine relationship marketing elements** which are specific to the Thai hotel industry (see Section 8.4.1) and comprise: **Thai personality, quality of service, personal attention, customer recognition, product improvement, creativity, trust and commitment, friendship, and social networks**. If they are effectively incorporated into hotel strategy, the implementation of these nine elements can lead to success in the Thai hotel industry since they are of great importance in offering value. They are also of considerable importance in retaining long-term relationships with customers and gaining customer loyalty.

The model provides insights into how to formulate the elements of relationship marketing to effectively manage long-term relationships with customers, employees, and competitors. Profitability and growth can be achieved by repeat business which stems from customer loyalty (Heskett et al. 1994). Therefore, the relationship marketing model proposed above is also of practical importance; it directly links the hotel's relationships with its customers with the overall financial performance of the hotel.

The core philosophy of relationship marketing is the development of long-term relationships with customers. Relationship marketing is able to provide substantial advantages in the retention of existing customers and increasing their loyalty. Hotels which employ relationship marketing therefore tend to create more value for their customers and prevent them from being attracted to competitors. The study suggests that in Thailand, relationships and business networks are imperative for successful hotel businesses. Hotels should therefore adjust their relationship marketing strategies to target not only customers but also other stakeholders in order to improve hotel performance and financial outcomes.

8.6. Conclusion

This chapter formulates an original relationship marketing model for the Thai hotel industry which is centred on building long-term relationships between hotels and customers. The model aims to explore the scope, nature and forms of relationship marketing in the hotel industry in Thailand and attempts to combine relationship marketing theories with business practice. The study suggests that hotels which employ this model should focus on incorporating the following nine elements into their hotel management: aspects of Thai personality, quality of service, personal attention, customer recognition, product improvement, creativity, trust and commitment, friendship, and social networks. The influence of Thai culture is also deeply embedded in the hotel's relationships with all of its stakeholders, including suppliers, customers, government, employees, the general community and competitors; it should therefore also be carefully considered in the formulation of any relationship marketing strategy.

CHAPTER 9: CONCLUSION

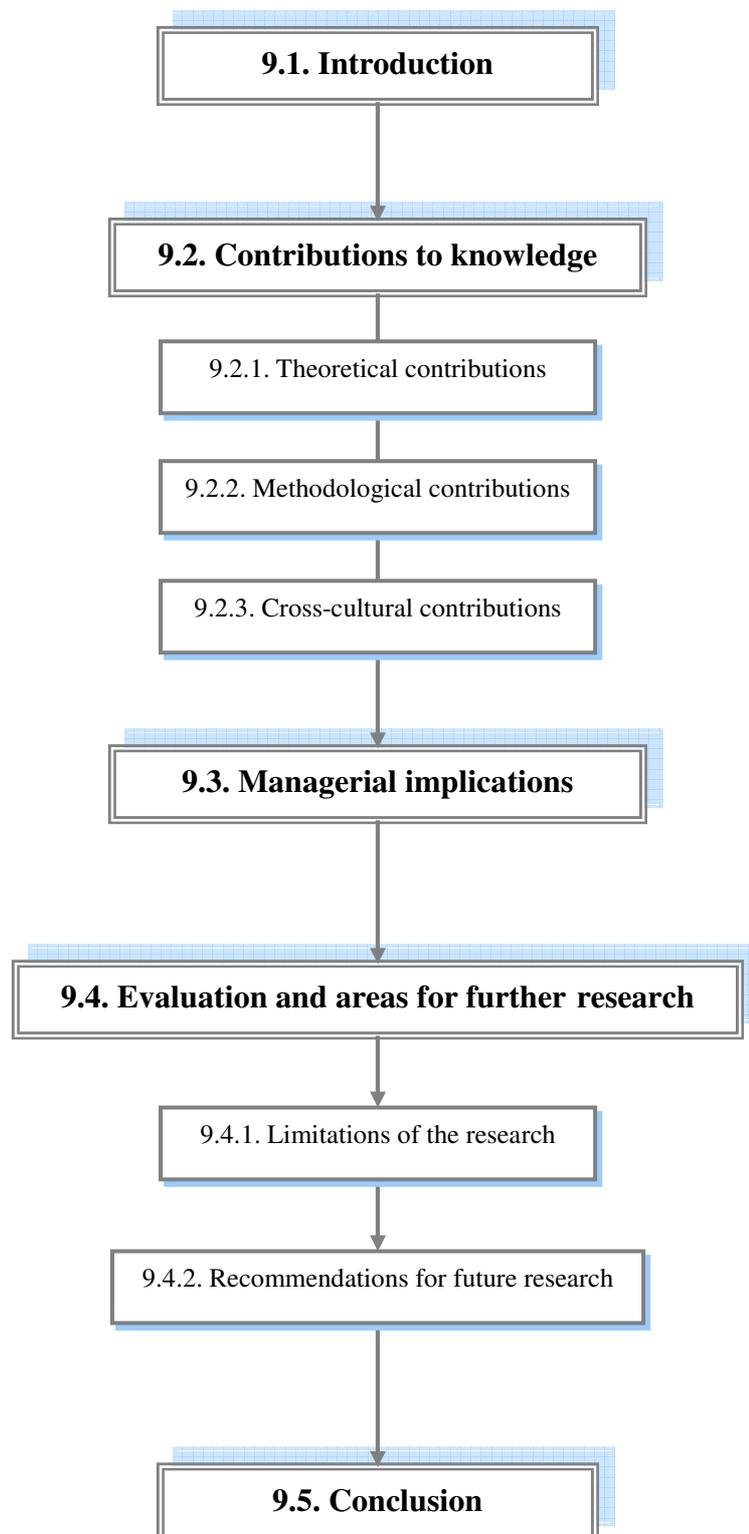


Figure 9.1: Structure of Chapter 9

9.1. Introduction

This chapter explores the strengths and weaknesses of the research conducted into relationship marketing in the Thai hotel industry. The chapter begins by examining the theoretical, methodological, and cross-cultural elements of relationship marketing and proceeds to focus on the managerial implications of the research for the hotel industry. The chapter concludes by reflecting on the limitations of the research and provides suggestions for future investigation.

9.2. Contributions to knowledge

9.2.1. Theoretical contributions

The aim of the research was to explore the scope, nature and forms of relationship marketing in the hotel industry in Thailand. It explored a range of areas encompassing tourism in Thailand (Chapter 2), hotel management (Chapter 3), relationship marketing (Chapter 4) and Thai culture (Chapter 5).

Following an overview of the research literature, this study developed an original conceptual framework with the aim of advancing knowledge about the relationship between hotels (service and product providers) and customers (marketing targets). The dynamic interactions between the environment and the individual were assigned importance in order to provide a comprehensive overview of the factors which influence relationship marketing. Particular attention was paid to the influence of cultural context (Section 9.2.3).

The study identified three types of customers: individual travellers, business customers and industry intermediates, and explored the effects on relationship marketing of each type of customer. The study also investigated how the implementation of relationship marketing strategies differs in different types of hotels, and explored the theory that different relationship marketing strategies are required for each customer group. It compared and analysed the advantages and disadvantages of the relationship marketing strategies currently employed by international chain hotels, national chain hotels, and individually owned hotels and focused on how hotels deal with their customers and how customers respond to the hotel's relationship marketing strategies.

Referring back to Section 4.4 (Schools of Thought p.76), it could be said that the Thai school of thought has some similarities and differences with those schools of thought presented in Section 4.4 in terms of the development of relationship marketing. The similarities are that relationship marketing in the Thai hotel industry emphasises the importance and relevance of quality management, service marketing and customer relationships. However, the difference is that this study investigates the influence of national culture on the development of relationship marketing and finds that specific aspects of Thai culture have a significant influence on the success of relationship marketing in the Thai hotel industry. In the context of Thai culture, 'relationship marketing' is interpreted as a long-term commitment to customers and all hotel business stakeholders, and it possesses certain cultural implications which differ substantially from Western business concepts.

This study found that relationship marketing and its associated strategies are widely accepted and applied throughout the Thai hotel industry, despite the fact that managers are generally unfamiliar with its theoretical foundations (Section 7.2.3.1). The study also identified nine factors which are considered to exert significant influence on customer-hotel relationships and the relationship marketing strategies employed by the hotel industry in Thailand, particularly in terms of maintaining customer loyalty and developing long-term relationships. These nine elements consist of aspects of the Thai personality, quality of service, personal attention, customer recognition, product improvement, creativity, trust and commitment, friendship, and social networks. These elements formed the basis of a relationship marketing model which is targeted at the hotel industry in Thailand and was developed as a result of a thorough analysis of customer-hotel relationships and the strategic responses of the hotels which participated in the research. It is underpinned by a close correlation between the establishment of long-term customer-hotel relationships and the marketing and financial performance of hotels.

The study found that the awareness and fulfilment of customer expectations is of critical importance to hotels in maintaining and increasing customer satisfaction (Hennig-Thurau & Klee 1997), and trust and commitment are key relational constructs in establishing, developing, and maintaining long-term relationships with customers and other stakeholders. The study also accentuates the importance of personal attention and customer recognition in building emotional connections between customers and the hotel. In order to retain and satisfy customers, hotels therefore need to take measures to sustain and enhance the hotel's attractions for existing customers by continuously increasing the quality of service, enabling

creativity in the workplace, updating products and applying modern technology in hotel management. Finally, the study found that the characteristics of the Thai personality have a significant influence on the service delivery of hotel staff. The inclusion of Thai personality as a significant factor in the research of customer-hotel relationships facilitates a holistic understanding of the cultural context in which the customer-hotel relationship is embedded.

9.2.2. Methodological contributions

The major contributions of this study can also be viewed from a methodological perspective. The majority of research into relationship marketing which has been conducted in the hotel industry predominantly relies on quantitative research methods. Certain studies (Connell 1997; Gibert & Tsao 2000; Presbury et al., 2005; Claver et al., 2006) have attempted to obtain information by using qualitative methods, but only a small number of researchers (Bowen & Chen 2001; Stokes & Lomax 2002) have used a combination of both qualitative and quantitative methods in this area.

This study utilised a combination of quantitative and qualitative methods, which enabled it to conduct an in-depth and holistic exploration of relationship marketing in the hotel industry. It enabled it to investigate the perspectives of both parties of customer-hotel relationships in contrast to most previous research in this area which was consumer-focused. This study used both quantitative methods to target larger groups, and qualitative methods to examine individual attitudes, values, beliefs, reactions, behaviours and preferences. The strengths of qualitative methods were employed to explore the views of hotel general managers, front-of-house personnel and customers in order to acquire substantial in-depth information on their perceptions of relationship marketing and the relationships of the hotel to its various stakeholders. The use of quantitative methods enabled the researcher to analyse the experiences of a larger sample of customers at the hotel in a more controlled manner. This combination of research methods yielded substantial data which addressed customers' perceptions of, and reactions to their relationships with hotels and the hotels' strategic response in their interaction with customers.

Convenience sampling and snowball techniques were also adopted through the use of personal contacts and semi-structured interviews. The use of qualitative research methods proved to be important in gaining access to respondents, building trust, and encouraging open

communication. This approach was more inductive and allowed the researcher to develop a greater insight into the perspectives of the respondents by observing their use of language and terminology. The information gathered from the respondents enabled the researcher to compare and analyse methods of creating and managing relationships between hotels and customers. However, such qualitative research approaches are not suitable for collecting data from a large number of respondents.

Quantitative methods are preferable when dealing with a larger sample, and were therefore used when designing a survey for 1,000 customers about their expectations and satisfaction with their relationship with their hotel. The contents of the data which were collated using quantitative methods covered various themes and were highly concrete and detailed; they adequately complemented the data collected by qualitative methods and helped to support the arguments made. This combined method helped to provide a more inclusive view of relationship marketing in Thailand and was thus a suitable approach to the conduct of this study.

9.2.3. Cross-cultural contributions

This study contributed to the existing body of knowledge by uncovering the influence of cultural context in constructing relationships. It did this by examining how relationship marketing is shaped by the cultural elements in Thai society. To date, 'most of the literature on relationship marketing has taken the perspective of large corporations operating in *Western business environments*' (Palmer 2000, p.271). This study produced insightful results by conducting relationship marketing research in an *Eastern business environment* within a *specific cultural context*.

Hotels need to take account of the influence of cultural context in the development of relationship marketing strategies since the social networks and social interactions of hotel managers are subject to the social and cultural context in which they are embedded. In order to manage a hotel business effectively and efficiently, hotel managers need to acquire sufficient knowledge of Thai culture to be able to put this knowledge to practical use. A thorough understanding of the influence of context is of particular importance to foreign managers who are working and living in a different cultural background. Given the conditions proposed in Chapter 8, foreign general managers should adapt to the specific context of Thai culture and adopt flexibility in constructing their relationships.

The challenge for marketers is how to develop relationship marketing activities which comply with the existing social institutions in Thailand and incorporate Thai cultural values. Some hotels have attempted to do this by placing an emphasis on the characteristic Thai traits of hospitality and courtesy in order to appeal to guests and enhance customer satisfaction. Some of the hotels which participated in the study also utilise the key 'heart' values of Thai culture, *kreng-jai* and *num-ja*, to enhance the hotel's relationships (with customers, suppliers, and competitors). However, the study leaves open the possibility of further in-depth exploration of the role of cultural context in the formation and development of relationship marketing given that 'marketers should be as wary of prescribing universal solutions for exchange base as they are of developing universal product and promotion policies for all markets' (Palmer 2000 p. 227).

9.3. Managerial implications

The findings of this study have significant implications for the management of hotels in terms of understanding the notion of relationship marketing and the importance of its application in the hotel business. Relationship marketing is valuable to hotels because it promotes communication with customers, improves the quality of services and products, builds the reputation of the hotel, attracts new customers, reduces the cost of marketing, aids the acquisition of social capital and encourages customer repurchase in the future. The analysis of the primary data which were collected for the study enabled this study to share the experiences, opinions, responses and suggestions of the most direct stakeholders in the customer-hotel relationship. The findings are therefore extremely useful to hotel managers and marketers in fully understanding relationship marketing.

In the opinion of the researcher, the most important findings were the nine relationship marketing elements which formed the basis of the relationship marketing model (Section 8.5). The study found that the most productive relationship marketing behaviours and strategies of hotels are inevitably linked to these elements, and this provides a useful framework which will allow hotel managers to effectively understand their customers and guide them in the formation of suitable relationship marketing strategies. The model is highly flexible and does not entail any standardised principles or courses of action. Hotel managers can therefore adjust their use of the model according to their specific requirements, bearing in mind issues such as affordability, cost, the attitudes of stakeholders, and legal regulations.

As discussed earlier, the influence of Thai culture is embedded in relationships with all hotel business stakeholders, including suppliers, customers, the government, employees, the community and competitors. Hotel managers therefore need to incorporate these cultural factors into their relationships with their customers and business stakeholders, while focusing on the key 'heart' values of Thai culture to develop long-term relationships, trust and commitment with customers and other parties. Furthermore, hotel managers should be aware of the cultural barriers which may arise in working with Thai people, since ignorance may lead to conflicts and misunderstanding (Section 8.2.2.2).

The results of this study clearly indicate that not all aspects of a hotel operation are equally important to the customer - the ability and willingness of staff to offer superior service and their friendliness to customers are the most important factors in determining customer satisfaction. Customer satisfaction is positively correlated with customer repurchase intentions and word-of-mouth (Oh 1999; Kim et al., 2001; Kim & Cha 2002). Maintaining a high standard of service should therefore be one of the major strategies for hotels to retain customers and maintain their loyalty.

While acknowledging the importance of all aspects of the hotel operation, managers should recognise the close correlation between employee satisfaction and overall customer satisfaction. The attitudes of employees and the way in which they behave have a significant impact on the customer's evaluation of service (Presbury et al., 2005). Before acquiring satisfied and loyal customers through relationship marketing strategies, the hotels first need to ensure employee satisfaction and employee loyalty through the equally intensive management of internal relationships (Rutherford 2002). Hotels may find it necessary to adopt the latest forms of communication technology in order to adequately communicate with their employees.

9.4. Evaluation and areas for further research

9.4.1. Limitations of the research

This study has yielded significant results and produced substantial contributions to the existing body of knowledge; however, there are also significant limitations which require further research to be conducted.

The limitations of the study are primarily related to the scope of the research. This study investigated only eighteen hotels due to limitations of time and cost; according to THA (2008), there are approximately 150 hotels in Bangkok, Thailand. Although the sample size was not large, the data obtained from these eighteen hotels proved adequate, with substantial findings and insights being produced regarding relationship marketing in the Thai hotel industry.

In addition, this study used convenience sampling and snowball techniques in order to gain access to data. The major disadvantages associated with the employment of these techniques are that the samples do not accurately represent the entire population. However, these techniques are particularly useful when trying to reach populations that are hard to locate or relatively inaccessible, such as gaining access to the general managers of hotels. Although it is unlikely that the sample is fully representative of the population, the data obtained from using these sampling techniques were nevertheless very valuable.

9.4.2. Recommendations for future research

Further empirical research is required in order to test the findings of this study. Possible avenues for further research include using purely quantitative, focus group or observational methods, or targeting other stakeholders such as the government. This is likely to provide valuable supplementary information in advancing the understanding of relationship marketing in the context of the hotel industry.

Furthermore, although the model was developed for the hotel industry in Thailand, the researcher suggests that it could also be applied to the hotel industry in a range of cultural contexts and institutional environments as well as to other service sectors. However, any such research should be aware of the importance of cultural context. The proposed model would be more relevant in an Eastern cultural context such as Thailand where relationships are of particular importance in business; it is likely to be less applicable in a Western cultural context such as the United States, the UK, the EU, or Australia. A comparison between Western and Eastern cultural contexts in the context of relationship marketing may yield interesting results.

9.5. Conclusion

The success of hotels is determined by their ability to maintain and develop long-term relationships with customers. The model presented in this study can be used as a theoretical basis and practical platform for the development of relationship marketing. It is useful for researchers and marketers who are aiming to develop an appropriate relationship marketing strategy for hotels. Moreover, the model can be replicated in hotels and/or applied to other service sectors both within and outside of Thailand. The findings of this study contribute to the growing body of knowledge in relationship marketing, services marketing, and hospitality management by not only providing guidance for ongoing theoretical work in the field of relationship marketing, but also inspiring research to identify new elements in the promotion of relationship marketing.

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Appendices

Appendix 1: Interview scripts

English Version

1. SCRIPT FOR INTERVIEWS WITH GENERAL MANAGERS

PART ONE: GENERAL INFORMATION

1. Could you tell me about your educational background?
2. How long have you been working at this hotel?
3. Have you been working as a general manager with other hotels before?
If yes, could you please tell me the name of the hotels?
4. How do you perceive hotel as a place to work compared to other hotels where you have worked or are familiar with?
5. Do you have a goal for your career?
If yes, what is your goal?
If no, do you plan to have one?
6. Have you ever attended any training classes to support your career?
If yes, please tell me what training classes did you attend before?
7. What is the most important factor motivating you to achieve in your career?
8. What parts of your work do you like best?
9. What parts of your work are most stressful for you?
10. Which words best describe your feelings about your employment?
11. Overall, how satisfied are you with your salary at this hotel?
12. Overall, how satisfied are you with the total benefits programme at this hotel?

PART TWO: SPECIFIC INFORMATION ABOUT RELATIONSHIP MARKETING

General information about relationship marketing

1. Are you familiar with the term “relationship marketing”?
2. Can you please explain about your views on “relationship marketing”?
3. What does the concept of relationship marketing mean for you?
4. Do you think relationship marketing is an important strategy for your hotel?
5. Is your hotel engaging with “customer loyalty” in its vision, mission and goal?

6. Are there any other comments you have about relationship marketing at this hotel?

Customer's relationship with the hotel

7. Do you think that the customer is important?
Could you explain?
8. What do you expect from your customers?
9. What do customers expect from your hotel?
10. Do you understand what your customer actually needs and want?
11. Do you think your employees understand what the customer actually needs and want?

Interaction/contact between the general manager and the customer

12. Please indicate the level of interaction/contact you have with the customers
13. Do you usually confront any problem your customers have with this hotel?
If yes, how do you deal with the problems?
14. When your customer has a problem what do you seek to resolve?
15. How satisfied are you with the service that your hotel offers to the guests?

Customer's feedback

16. What is your positive feedback about the hotel from your customers?
17. What is your negative feedback about the hotel from your customers?
18. What do you deal with the information from your customer feedback?
19. What do you think about your status as general manager? Is it important in dealing with the customers?

Relationship marketing strategies

20. What methods do you use to keep your customers and make them come back?
21. What is the most important strategy to keep the customer loyal to your hotel?
22. Do you think the physical facilities at your hotel will be visually appealing to the customer?
23. Do you think it is important to have employees who give customers personal attention?
24. Do you think the courteous manner of your employees is important?
25. What do you think about the computer databases to use as a relationship marketing tool?
26. Do you measure customer satisfaction?

If yes, how do you usually measure it?

If no, could you explain?

27. Do you think that your hotel has the ability to provide what was promised to the customers dependably and accurately?
28. Do you think that your hotel has the willingness to help customers and provide prompt service?
29. Do you often try to find out what your competitors are doing?
30. Do you think Thai culture influences the way in which you manage the hotel?
31. Do you think that your hotel is better than other hotels?
Could you explain?
32. Do you think that your hotel needs to improve? What might need to be improved in your hotel?

PART THREE: RELATIONSHIP WITH THE EMPLOYEES

1. Overall, how satisfied are you with your communication with your staff?
2. Do you communicate effectively in both written and verbal forms with your staff?
3. What do you think about teamwork?
4. Do you think that your staff understands about relationship marketing?
5. In what way do you usually work with your staff to find out what customers want?
6. In what way do you usually work with your staff to anticipate the future needs of the customer?
7. Do you think that your staff is always willing to help customers?
8. Do you believe that your staff is the best ambassadors for this hotel?
9. How satisfied are you with your staff's relationship with customers?
10. What areas of improvement should the staff concentrate on to improve the relationship with the customers?
11. Do you have any training programme for your staff?
12. How often do you train your staff?
13. Do you often have conflicts with your staff?
If yes, what do you usually do to resolve it?

2. SCRIPT FOR INTERVIEWS WITH INDUSTRY INTERMEDIARIES

PART ONE: GENERAL INFORMATION

1. Could you tell me about your education background?
2. What type of company do you represent?
3. How many employees work for your company?
4. Do you usually select the hotel by yourself or does someone else select it for you?
5. What influenced you to select this hotel?
6. Do you have any criteria for selecting a hotel as a place for your customers?

PART TWO: SPECIFIC INFORMATION

Relationships with the hotels before the business negotiation

1. How satisfied were you with the hotel's overall performance before the sales negotiation?
2. These questions relate while you were arranging the event: The period immediately after the contract was signed. This includes all planning, discussions and preparations leading up to the actual event.

Did a hotel associate contact you at the appropriate time for your event planning?

Did a hotel associate understand your problems and offered creative solutions?

Was the hotel associate flexible enough no matter how often your plans changed?

How satisfied were you with the hotel's overall performance during the planning of your event?

Relationships with the hotels during the business negotiation

3. These questions relate to the event itself: from start to finish.

Was staff at the hotel friendly and efficient?

Did the hotel demonstrate a consistently high level of service?

Did the hotel deliver services on time and as promised?

How satisfied were you with the hotel's overall performance during the planning of your event?

Relationships with the hotels after the business negotiation

4. These questions relate to after your event: this includes the hotel follow-up and billing.
Did the hotel associate show interest in your business?

How satisfied were you with the billing process (accurate, timely, understandable)

Overall, how would you rate the value for money?

Problem solving

5. Throughout the entire event experience, did you encounter any problems?
6. What kind of problems did you encounter?
7. What do you feel about the action taken by the hotel to resolve your problem(s)?

Overall hotel performance

8. Overall, how satisfied were you with the performance of the hotel and its service?
9. How many years has your company been in contact with this hotel?
10. In your opinion, please tell me why your company has a long-term relationship with this hotel?
11. What do you think is the most important factor for you to have a long-term relationship with this hotel?
12. What do you like most about this hotel?
13. What do you dislike about this hotel?
14. What do you expect from this hotel?
15. Would you like to see this hotel make any changes?
16. Do you think that your company will continue to have a long-term relationship with this hotel?
17. Is there anything else you would like to share with me about selecting this hotel as a place to have an event?
18. Again, considering everything, how likely would you be to recommend this hotel to a friend or colleague?

PART THREE: COMPARISON WITH OTHER HOTELS

1. In your opinion, what makes this hotel different from other hotels?
2. Please tell me which other hotels you have selected?
3. Did you encounter any problems from other hotels you have selected?
4. If yes, what kind of problems did you encounter?
5. What do you feel about the action taken by that hotel (the name of the hotel(s)) to resolve your problem(s)?
6. Overall, were you satisfied with that hotel (the name of the hotel(s))?

3. SCRIPT FOR INTERVIEWS WITH REPRESENTATIVES OF BUSINESS ORGANISATIONS

PART ONE: GENERAL INFORMATION

1. Could you tell me about your education background?
2. What type of company do you represent?
3. How many employees work for your company?
4. How often does your company have events, meetings or conferences at the hotel?
5. Do you usually select the hotel by yourself or does someone else select it for you?
6. What influenced you to select this hotel?
7. Do you have any criteria for selecting a hotel as a place for events?

PART TWO: SPECIFIC INFORMATION

Relationships with the hotels before the business negotiation

1. How satisfied were you with the hotel's overall performance during the sale negotiation?
2. These questions relate while you were arranging the event: The period immediately after the contract was signed. This includes all planning, discussions and preparations leading up to the actual event.

Did a hotel associate contact you at the appropriate time for your event planning?

Did a hotel associate understand your problems and offered creative solutions?

Was the hotel associate flexible enough no matter how often your plans changed?

Did the hotel associate offer you choices which met your budget needs?

Was the hotel associate present if you had a pre-event/tasting meeting; if so please rate your experience?

How satisfied were you with the hotel's overall performance during the planning of your event?

Relationships with the hotels during the business negotiation

3. These questions relate to the event itself: from start to finish.

Was staff at the hotel friendly and efficient?

Did the hotel demonstrate a consistently high level of service?

Did the hotel deliver services on time and as promised?

How satisfied were you with the hotel's overall performance during the planning of your event?

Relationships with the hotels after the business negotiation

4. These questions relate to after your event: this includes the hotel follow-up and billing.
Did the hotel associate show interest in your business?
How satisfied were you with the billing process (accurate, timely, understandable)
Overall, how would you rate the value for money?

Problem solving

5. Throughout the entire event experience, did you encounter any problems?
6. What kind of problems did you encounter?
7. What do you feel about the action taken by the hotel to resolve your problem(s)?

Overall hotel performance

8. Overall, how satisfied were you with the performance of the hotel and service regarding your meeting/event?
9. If you were planning another event in this area, how likely would you be to use this hotel again?
10. How many years has your company been in contact with this hotel?
11. In your opinion, please tell me why your company has a long-term relationship with this hotel?
12. What do you think is the most important factor for you to have a long-term relationship with this hotel?
13. What do you like most about this hotel?
14. What do you dislike about this hotel?
15. What do you expect from this hotel?
16. Would you like to see this hotel make any changes?
17. Do you think that your company will continue to have a long-term relationship with this hotel?
18. Is there anything else you would like to share with me about selecting this hotel as a place to have an event?
19. Again, considering everything, how likely would you be to recommend this hotel to a friend or colleague?

PART THREE: COMPARISON WITH OTHER HOTELS

1. In your opinion, what makes this hotel different from other hotels?
2. Please tell me which other hotels you have selected as a place to have events
3. Did you encounter any problems from other hotels you have selected for events?
4. If yes, what kind of problems did you encounter?
5. What do you feel about the action taken by that hotel (the name of the hotel(s)) to resolve your problem(s)?
6. Overall, were you satisfied with that hotel (the name of the hotel(s))?

4. SCRIPT FOR INTERVIEWS WITH AN INDEPENDENT CUSTOMER

PART ONE: GENERAL INFORMATION

1. Could you tell me about your educational background?
2. What do you do for a living?
3. Could you indicate your total household income? (guide card)
4. How many times have you visited Thailand previously?
5. Do you usually stay in this hotel when you visit Thailand?
6. What was the duration of your stay in this hotel?
7. What is your main purpose of staying in this hotel?
8. Do you usually select the hotel by yourself or does someone else select it for you?
9. Do you have any criteria for selecting this hotel for your accommodation?
10. Is this hotel part of your package tour?

PART TWO: SPECIFIC INFORMATION

Customer expectations before arrival at this hotel

1. What did you expect from this hotel on your arrival?
2. What did you expect from this hotel at check-in?
3. What did you expect from this hotel with regard to your room?
4. What did you expect from this hotel if you used the hotel's restaurants or bars?
5. What did you expect from this hotel if you used the leisure and sport facilities at the hotel?
6. What did you expect from this hotel about your general feeling of safety?
7. What did you expect from the staff and service they provide at this hotel?
8. What did you expect from this hotel if you used the meeting facilities?

9. What did you expect from this hotel at check-out at the hotel?
10. What was your overall opinion of your stay at the hotel?

Customer satisfaction after staying in this hotel

1. How satisfied were you on your arrival at the hotel?
2. How satisfied were you at check-in at the hotel?
3. How satisfied were you with regard to your room at the hotel?
4. How satisfied were you if you used the hotel's restaurants or bars?
5. How satisfied were you if you used the leisure and sport facilities at the hotel?
6. How satisfied were you about your general feeling of safety at the hotel?
7. How satisfied were you with the staff and service they provided at the hotel?
8. How satisfied were you if you used the meeting facilities at the hotel?
9. How satisfied were you at check-out at the hotel?
10. How satisfied were you with your overall opinion of your stay at the hotel?
11. Overall, how satisfied were you with the performance of the hotel and service regarding your stay?

Problem solving

12. Throughout your stay at this hotel, did you encounter any problems?
13. What kind of problems did you encounter?
14. What do you feel about the action taken by the hotel to resolve your problem(s)?

Overall hotel performance

15. Overall, how would you rate the value for money?
16. What do you like most about this hotel?
17. What do you dislike about this hotel?
18. Would you like to see this hotel make any changes?
19. If you were to return to this city, would you stay with this hotel again?
20. Will you recommend this hotel to your friends?

PART THREE: COMPARISON WITH OTHER HOTELS

1. In your opinion, what makes this hotel different from other hotels?
2. Please tell me which other hotels in Bangkok you have selected as places to stay in previous times?

3. How did you feel about the action taken by that hotel to resolve your problem(s)?
4. Overall, were you satisfied with the hotel?

5. SCRIPT FOR INTERVIEWS WITH FRONT-OF-HOUSE STAFF

1. Sample characteristics and general information

1. How long have you been working at this hotel?
2. Have you been working with other hotels before?
3. How do you perceive hotel as a place to work compared to other hotels where you have worked or are familiar with?
4. Have you encounter any problems?
5. How satisfied are you with the salary and total benefits programme at this hotel?
6. Have you ever attended any training classes to support your career?
7. What is the most important factor motivating you to achieve in your career?

2. Specific information about their relationship with the customers

8. How do you feel when you take care of your customer?
9. Do you understand what your customer actually needs and want?
10. When your customer has a problem what do you seek to resolve?
11. Do you think Thai culture, Thai manner, and Thai smiles are important in dealing with provision of a service?
12. Did any return guests tell you why they like to come to your hotel?
13. Are there other comments you would like to share?

3. Specific information about their relationship with senior staff

14. How satisfied are you with your relationship with your senior staff?
15. How satisfied are you with your communication with your senior staff?

4. Specific information about their relationship with their colleagues

16. How satisfied are you with your relationship with your colleagues?
17. Have you encounter any problems with your colleagues?
18. If you have problems with your colleagues will it affects your work?

Thai Version

1. SCRIPT FOR INTERVIEWS WITH GENERAL MANAGERS

(คำถามที่ใช้ในการสัมภาษณ์ผู้จัดการทั่วไป)

PART ONE: GENERAL INFORMATION (ข้อมูลทั่วไปของผู้ให้สัมภาษณ์)

1. ประวัติการศึกษา
2. คุณทำงานที่โรงแรม (ชื่อโรงแรม) เป็นเวลานานแค่ไหน
3. คุณเคยทำงานเป็นผู้จัดการที่โรงแรมอื่นบ้างหรือไม่ ถ้าเคยรบกวนช่วยกรณอบอกชื่อของโรงแรมด้วย
4. คุณมีความพึงพอใจมากน้อยแค่ไหน เมื่อเปรียบเทียบกับโรงแรมอื่นที่คุณเคยทำงานด้วยมาก่อน
5. คุณมีจุดมุ่งหมายในการทำงานบ้างหรือไม่ กรุณาอธิบาย
6. คุณเคยเข้ารับการอบรมในเรื่องที่เกี่ยวข้องกับการทำงานเป็นผู้จัดการบ้างหรือไม่ ถ้าเคยกรุณาอธิบายรายละเอียดว่าได้เข้ารับการอบรมในเรื่องใดบ้าง
7. ปัจจัยอะไรบ้างที่คุณคิดว่ามีความสำคัญที่สามารถทำให้คุณประสบความสำเร็จในอาชีพของคุณ
8. การทำงานในตำแหน่งผู้จัดการของโรงแรมมีส่วนไหนบ้างที่คุณชอบมากที่สุด
9. การทำงานในตำแหน่งผู้จัดการของโรงแรมมีส่วนไหนบ้างที่ทำให้คุณรู้สึกเครียด
10. คำไหนบ้างที่สามารถอธิบายได้ถึงความรู้สึกในการทำงานของคุณ
11. คุณมีความพึงพอใจมากน้อยแค่ไหนกับเงินเดือนที่คุณได้รับจาก (ชื่อโรงแรม)
12. คุณมีความพึงพอใจมากน้อยแค่ไหนกับสวัสดิการที่คุณได้รับจาก (ชื่อโรงแรม)

PART TWO: SPECIFIC INFORMATION ABOUT RELATIONSHIP MARKETING

General information about relationship marketing (ข้อมูลทั่วไปเกี่ยวกับการตลาดเชิงสัมพันธ์ภาพ)

1. คุณเคยได้ยินคำว่า relationship marketing หรือการตลาดเชิงสัมพันธ์ภาพบ้างหรือไม่?
2. คุณช่วยกรณอบายความหมายของ relationship marketing หรือการตลาดเชิงสัมพันธ์ภาพตามความเข้าใจในมุมมองของคุณ?
3. Relationship marketing มีความหมายสำหรับคุณมากน้อยแค่ไหน
4. คุณคิดว่า relationship marketing เป็นกลยุทธ์ที่สำคัญสำหรับโรงแรมคุณหรือไม่ อย่างไร
5. คุณได้บรรจุ customer loyalty ไว้ในวิสัยทัศน์ (vision), พันธกิจ (mission) และจุดประสงค์ (goal) ของโรงแรมหรือไม่
6. นอกเหนือจากที่ได้กล่าวมาแล้วคุณมีอะไรจะเสริมเพิ่มเติมในเรื่อง relationship marketing ที่ใช้ใน (ชื่อโรงแรม) อีกบ้างหรือไม่

Customer's relationship with the hotel (ความสัมพันธ์กับลูกค้า)

7. คุณคิดว่าลูกค้า (ลูกค้าในที่นี่รวมถึงลูกค้าที่พักในโรงแรม ลูกค้าที่เป็นองค์กรธุรกิจและบริษัททัวร์) มีความสำคัญหรือไม่ รบกวนอธิบายด้วย
8. คุณคาดหวังอะไรจากลูกค้า
9. คุณคิดว่าลูกค้าคาดหวังอะไรจากโรงแรมของคุณ

10. คุณคิดว่าคุณเข้าใจความต้องการที่แท้จริงของลูกค้าหรือไม่ว่าจริงๆ แล้วลูกค้าต้องการอะไรจากโรงแรมหรือจากการบริการของโรงแรม
11. คุณคิดว่าพนักงานของคุณเข้าใจความต้องการที่แท้จริงของลูกค้าหรือไม่ว่าจริงๆ แล้วลูกค้าต้องการอะไรจากโรงแรมหรือจากการบริการของโรงแรม

Interaction/contact between the general manager and the customer

(การพบปะเผชิญหน้ากับลูกค้า)

12. คุณมีการเผชิญหน้าหรือพบปะกับกับลูกค้าอย่างน้อยแค่ไหน
13. เวลาที่ลูกค้ามีปัญหาคุณเป็นผู้ที่ช่วยลูกค้าในการแก้ปัญหาหรือไม่ และคุณได้จัดการกับปัญหาเหล่านั้นอย่างไร
14. คุณมีความพึงพอใจอย่างน้อยแค่ไหนสำหรับการบริการที่โรงแรมได้ให้กับลูกค้า

Customer's feedback (ข้อมูลป้อนกลับจากลูกค้า)

15. คุณคิดว่าอะไรที่เป็นผลตอบกลับที่เกี่ยวกับโรงแรมในแง่บวก (positive feedback) จากลูกค้าของคุณ
16. คุณคิดว่าอะไรที่เป็นผลตอบกลับที่เกี่ยวกับโรงแรมในแง่ลบ (negative feedback) จากลูกค้าของคุณ
17. คุณได้มีการจัดการอย่างไรสำหรับข้อมูลที่ได้จากลูกค้าทั้งด้านบวกและด้านลบ
18. คุณมีความคิดเห็นอย่างไรสำหรับตำแหน่งผู้จัดการ (general manager) คุณคิดว่ามีความสำคัญหรือไม่ในการติดต่อสัมพันธ์กับลูกค้า

Relationship marketing strategies (กลยุทธ์การตลาดเชิงสัมพันธ์ภาพ)

19. เครื่องมืออะไรบ้างที่คุณใช้ในการรักษาลูกค้าและทำให้ลูกค้ากลับมาใช้บริการกับทางโรงแรมอีกครั้ง
20. อะไรที่คุณคิดว่าเป็นกลยุทธ์ที่มีความสำคัญในการที่จะทำให้ลูกค้ามีความจงรักภักดี (customer loyal) ต่อโรงแรมของคุณ
21. คุณคิดว่ารูปลักษณ์ภายนอกและการตกแต่งของโรงแรมมีส่วนในการช่วยดึงดูดลูกค้าให้มาใช้บริการหรือไม่ อย่างไร
22. คุณคิดว่าจำเป็นหรือไม่ที่จะให้พนักงานของคุณดูแลลูกค้าเป็นรายบุคคล กรุณาอธิบาย
23. คุณคิดว่าจำเป็นหรือไม่ที่จะให้พนักงานของคุณต้อนรับลูกค้าด้วยมารยาทที่งดงาม กรุณาอธิบาย
24. คุณมีความคิดเห็นอย่างไรกับ computer databases ที่ใช้ในการสร้างความสัมพันธ์กับลูกค้า
25. คุณมีการวัดและประเมินผลความพึงพอใจของลูกค้า(customer satisfaction)หรือไม่และบ่อยแค่ไหน
26. คุณคิดว่าโรงแรมของคุณมีความสามารถในการจัดหาในสิ่งที่ได้สัญญาไว้กับลูกค้าอย่างถูกต้องและตรงต่อเวลาหรือไม่ อย่างไร
27. คุณคิดว่าโรงแรมของคุณมีความสามารถในการช่วยเหลือลูกค้าและให้บริการที่ดีแก่ลูกค้าหรือไม่ อย่างไร
28. คุณได้มีการติดตามคู่แข่งคุณหรือไม่ว่าคู่แข่งของคุณได้ทำอะไร ที่ไหน และอย่างไร
29. คุณคิดว่าวัฒนธรรมและขนบธรรมเนียมประเพณีของไทยมีอิทธิพลในการบริหารงานโรงแรมหรือไม่ กรุณาอธิบาย
30. คุณคิดว่าโรงแรมของคุณดีกว่าโรงแรมอื่นหรือไม่ อย่างไร กรุณาอธิบาย
31. คุณคิดว่าโรงแรมของคุณจำเป็นที่จะต้องปรับปรุงอีกหรือไม่ ถ้าจำเป็นต้องมีการปรับปรุงควรจะปรับปรุงในเรื่องใด

PART THREE: RELATIONSHIP WITH THE EMPLOYEES (ความสัมพันธ์กับพนักงาน)

1. คุณมีความพึงพอใจมากน้อยแค่ไหนสำหรับการติดต่อสื่อสารกับพนักงานในโรงแรมของคุณ
2. โดยมากคุณจะใช้วิธีใดในการติดต่อกับพนักงานของคุณ
3. คุณคิดอย่างไรกับคำว่าการทำงานเป็นทีม (teamwork)
4. คุณคิดว่าพนักงานของคุณเข้าใจ relationship marketing มากน้อยแค่ไหน อย่างไร
5. วิธีไหนบ้างที่คุณร่วมกับพนักงานของคุณได้ศึกษาถึงความต้องการของลูกค้าในปัจจุบัน และความต้องการของลูกค้าในอนาคต
6. คุณคิดว่าพนักงานของคุณมีความกระตือรือร้นในการบริการลูกค้ามากน้อยแค่ไหน อย่างไร
7. คุณคิดหรือไม่ว่าพนักงานมีส่วนสำคัญมากในการบริหารงานของคุณ
8. คุณมีความพึงพอใจมากน้อยแค่ไหนสำหรับความสัมพันธ์ระหว่างลูกค้ากับพนักงาน
9. คุณคิดว่ามีด้านไหนบ้างที่พนักงานของคุณควรจะได้รับปรับปรุงเพื่อพัฒนาความสัมพันธ์ระหว่างลูกค้ากับพนักงาน
10. คุณได้มีโครงการฝึกอบรมให้แก่พนักงานของคุณหรือไม่ และบ่อยแค่ไหน
11. คุณมีปัญหาเกี่ยวกับพนักงานของคุณบ่อยหรือไม่ในการบริหารงาน และคุณมีวิธีในการแก้ปัญหาอย่างไร

โรงแรมนี้มีเจ้าของเป็นคนไทยหรือไม่ และมีโรงแรมในเครืออีกหรือไม่

มีบริษัททัวร์ที่มีความสัมพันธ์กับทางโรงแรมมายาวนานหรือไม่

มีองค์กรธุรกิจที่มักจะมาใช้บริการของโรงแรมและมีความสัมพันธ์กับทางโรงแรมมายาวนานหรือไม่

2. SCRIPT FOR INTERVIEWS WITH INDUSTRY INTERMEDIARIES

(คำถามที่ใช้ในการสัมภาษณ์บริษัททัวร์)

PART ONE: GENERAL INFORMATION (ข้อมูลทั่วไปของผู้ให้สัมภาษณ์และบริษัท)

1. กรุณาเล่าประวัติการศึกษาของคุณ
2. บริษัททัวร์ที่คุณทำงานอยู่มีลักษณะการดำเนินธุรกิจอย่างไร
3. มีพนักงานในบริษัทกี่คน
4. คุณเป็นผู้ที่เลือกโรงแรมให้ลูกค้าของคุณหรือผู้อื่นเป็นผู้เลือก
5. คุณคิดว่าอะไรที่มีอิทธิพลในการเลือกโรงแรมให้ลูกค้าของคุณ
6. คุณหรือบริษัทของคุณมีปัจจัยอะไรบ้างในการเลือกโรงแรมให้ลูกค้าของคุณ

PART TWO: SPECIFIC INFORMATION

Relationships with the hotels before the business negotiation

(ความสัมพันธ์กับโรงแรมก่อนการใช้บริการทางธุรกิจตามที่ตกลงไว้ในสัญญา)

1. คุณมีความพึงพอใจมากน้อยแค่ไหนสำหรับภาพรวมจากการบริการที่ได้รับจากโรงแรมก่อนการใช้บริการทางธุรกิจตามที่ตกลงไว้ในสัญญา

2. คำถามต่อไปนี้จะเกี่ยวข้องกับการบริการที่ได้รับจากโรงแรมก่อนการใช้บริการทางธุรกิจตามที่ตกลงไว้ในสัญญา:

ระยะเวลาหลังจากเซ็นสัญญา ทั้งนี้คำถามจะรวมถึงแผนงาน การตัดสินใจ และการเตรียมงานของโรงแรม

 - a. ผู้ประสานงานของโรงแรมได้ติดต่อคุณในเวลาที่เหมาะสมหรือไม่
 - b. ผู้ประสานงานของโรงแรมเข้าใจปัญหาที่เกิดขึ้น (หากเกิดปัญหา) หรือไม่ และผู้ประสานงานของโรงแรมได้มีการแก้ไขปัญหานั้นอย่างไร
 - c. ผู้ประสานงานของโรงแรมมีความยืดหยุ่นหรือไม่
 - d. คุณมีความพึงพอใจมากน้อยแค่ไหนสำหรับภาพรวมจากการบริการที่ได้รับจากโรงแรมก่อนการใช้บริการทางธุรกิจตามที่ตกลงไว้ในสัญญา

Relationships with the hotels during the business negotiation

(ความสัมพันธ์กับโรงแรมระหว่างการใช้บริการทางธุรกิจตามที่ตกลงไว้ในสัญญา)

3. คำถามต่อไปนี้จะเกี่ยวข้องกับการบริการที่ได้รับจากโรงแรมระหว่างการใช้บริการทางธุรกิจตามที่ตกลงไว้ในสัญญา: เริ่มจากการเริ่มต้นใช้บริการจนถึงสิ้นสุดการใช้บริการ
 - a. คุณคิดว่าพนักงานของโรงแรมมีความเป็นมิตรและมีประสิทธิภาพในการบริการหรือไม่
 - b. คุณคิดว่าโรงแรมได้ให้บริการที่มีคุณภาพมากหรือไม่
 - c. คุณคิดว่าโรงแรมได้ให้บริการตรงตามเวลาและตามสัญญาระบุไว้หรือไม่
 - d. คุณมีความพึงพอใจมากน้อยแค่ไหนสำหรับภาพรวมจากการบริการที่ได้รับจากโรงแรมระหว่างการให้บริการทางธุรกิจตามที่ตกลงไว้ในสัญญา

Relationships with the hotels after the business negotiation

(ความสัมพันธ์กับโรงแรมหลังการใช้บริการทางธุรกิจตามที่ตกลงไว้ในสัญญา)

4. คำถามต่อไปนี้จะเกี่ยวข้องกับการบริการที่ได้รับจากโรงแรมหลังการใช้บริการทางธุรกิจตามที่ตกลงไว้ในสัญญา: การบริการหลังการใช้บริการทางธุรกิจและการชำระเงิน
 - a. คุณคิดว่าผู้ประสานงานของโรงแรมได้ให้ความสนใจในการดำเนินธุรกิจกับบริษัทของคุณหรือไม่
 - b. คุณมีความพึงพอใจมากน้อยแค่ไหนสำหรับขั้นตอนการชำระเงินของโรงแรม (การถูกต้อง, ตรงต่อเวลา, และการยืดหยุ่น)
 - c. คุณคิดว่าการดำเนินธุรกิจกับโรงแรมคุ้มกับเงินที่คุณหรือบริษัทของคุณจ่ายไปหรือไม่ อย่างไร

Problem solving (การแก้ปัญหา)

5. ตลอดระยะเวลาในการใช้บริการของโรงแรม คุณได้พบกับปัญหาอะไรบ้างหรือไม่
6. และปัญหานั้นคืออะไร
7. โรงแรมได้มีการแก้ไขปัญหที่เกิดขึ้นหรือไม่ อย่างไร

Overall hotel performance (ภาพรวมในการดำเนินการและการให้บริการของโรงแรม)

8. คุณมีความพึงพอใจมากน้อยแค่ไหนสำหรับภาพรวมในการดำเนินการและการให้บริการของโรงแรม
9. บริษัทของคุณได้ดำเนินธุรกิจกับโรงแรมเป็นระยะเวลานานแค่ไหน
10. ในความคิดเห็นของคุณ กรุณาบอกได้หรือไม่ว่าทำไมบริษัทของคุณถึงมีความสัมพันธ์อันยาวนานกับโรงแรมนี้

11. คุณคิดว่าอะไรเป็นปัจจัยที่สำคัญที่สุดที่ทำให้คุณหรือบริษัทของคุณมีความสัมพันธ์ที่ยาวนานกับ โรงแรมนี้
12. คุณชอบอะไรมากที่สุดเกี่ยวกับ โรงแรมนี้
13. คุณไม่ชอบอะไรมากที่สุดเกี่ยวกับ โรงแรมนี้
14. คุณคาดหวังอะไรจาก โรงแรม
15. คุณต้องการให้โรงแรมเปลี่ยนแปลงอะไรบ้าง
16. คุณคิดว่าบริษัทของคุณจะยังคงมีความสัมพันธ์ที่ยาวนานกับ โรงแรมนี้ต่อไปหรือไม่ อย่างไร
17. คุณมีอะไรจะเพิ่มเติมอีกหรือไม่
18. จากภาพรวมที่คุณ ได้รับจากการดำเนินการและการให้บริการ คุณจะแนะนำโรงแรมนี้กับเพื่อนของคุณหรือไม่

PART THREE: COMPARISON WITH OTHER HOTELS (เปรียบเทียบ กับ โรงแรมอื่นๆ)

1. ในความคิดเห็นของคุณ คุณคิดว่าอะไรที่ทำให้โรงแรมนี้แตกต่างจากโรงแรมที่คุณเคยใช้บริการ
2. คุณได้เจอกับปัญหาจากโรงแรมอื่นที่คุณเคยใช้บริการหรือไม่
3. และปัญหาอะไรบ้างที่คุณเคยเจอ
4. คุณมีความรู้สึกรู้สึอย่างไรต่อการแก้ปัญหาของโรงแรมนั้น
5. คุณพึงพอใจในการดำเนินการและการให้บริการของโรงแรมที่คุณเคยใช้บริการหรือไม่ อย่างไร

3. SCRIPT FOR INTERVIEWS WITH REPRESENTATIVES OF BUSINESS ORGANISATIONS (คำถามที่ใช้ในการสัมภาษณ์ตัวแทนภาคธุรกิจ)

PART ONE: GENERAL INFORMATION (ข้อมูลทั่วไปของผู้ให้สัมภาษณ์และบริษัทหรือหน่วยงาน)

1. กรุณาเล่าประวัติการศึกษาของคุณ
2. บริษัทหรือหน่วยงานที่คุณทำงานอยู่มีลักษณะการดำเนินธุรกิจอย่างไร
3. มีพนักงานที่บริษัทกี่คน
4. คุณเป็นผู้ที่เลือกโรงแรมให้ลูกค้าของคุณหรือผู้อื่นเป็นผู้เลือก
5. คุณคิดว่าอะไรที่มีอิทธิพลในการเลือกโรงแรมให้ลูกค้าของคุณ
6. คุณหรือบริษัทของคุณมีปัจจัยอะไรบ้างในการเลือกโรงแรมให้ลูกค้าของคุณ

PART TWO: SPECIFIC INFORMATION

Relationships with the hotels before the business negotiation

(ความสัมพันธ์กับโรงแรมก่อนการใช้บริการทางธุรกิจตามที่ตกลงไว้ในสัญญา)

1. คุณมีความพึงพอใจมากน้อยแค่ไหนสำหรับภาพรวมจากการบริการที่ได้รับจากโรงแรมก่อนการใช้บริการทางธุรกิจตามที่ตกลงไว้ในสัญญา
2. คำถามต่อไปนี้จะเกี่ยวข้องกับการบริการที่ได้รับจากโรงแรมก่อนการใช้บริการทางธุรกิจตามที่ตกลงไว้ในสัญญา: ระยะเวลาหลังจากเซ็นสัญญา ทั้งนี้คำถามจะรวมถึงแผนงาน การตัดสินใจ และการเตรียมงานของโรงแรม
 - a. ผู้ประสานงานของโรงแรมได้ติดต่อคุณในเวลาที่เหมาะสมหรือไม่

- b. ผู้ประสานงานของโรงแรมเข้าใจปัญหาที่เกิดขึ้น (หากเกิดปัญหา) หรือไม่ และผู้ประสานงานของโรงแรมได้มีการแก้ไขปัญหานั้นอย่างไร
- c. ผู้ประสานงานของโรงแรมมีความยืดหยุ่นหรือไม่
- d. คุณมีความพึงพอใจมากน้อยแค่ไหนสำหรับภาพรวมจากการบริการที่ได้รับจากโรงแรมก่อนการให้บริการทางธุรกิจตามที่ตกลงไว้ในสัญญา

Relationships with the hotels during the business negotiation

(ความสัมพันธ์กับโรงแรมระหว่างการให้บริการทางธุรกิจตามที่ตกลงไว้ในสัญญา)

3. คำถามต่อไปนี้จะเกี่ยวข้องกับการบริการที่ได้รับจากโรงแรมระหว่างการให้บริการทางธุรกิจตามที่ตกลงไว้ในสัญญา: เริ่มจากการเริ่มต้นให้บริการจนถึงสิ้นสุดการให้บริการ
 - a. คุณคิดว่าพนักงานของโรงแรมมีความเป็นมิตรและมีประสิทธิภาพในการบริการหรือไม่
 - b. คุณคิดว่าโรงแรมได้ให้บริการที่มีคุณภาพมากหรือไม่
 - c. คุณคิดว่าโรงแรมได้ให้บริการตรงตามเวลาและตามสัญญาระบุไว้หรือไม่
 - d. คุณมีความพึงพอใจมากน้อยแค่ไหนสำหรับภาพรวมจากการบริการที่ได้รับจากโรงแรมระหว่างการให้บริการทางธุรกิจตามที่ตกลงไว้ในสัญญา

Relationships with the hotels after the business negotiation

(ความสัมพันธ์กับโรงแรมหลังการให้บริการทางธุรกิจตามที่ตกลงไว้ในสัญญา)

4. คำถามต่อไปนี้จะเกี่ยวข้องกับการบริการที่ได้รับจากโรงแรมหลังการให้บริการทางธุรกิจตามที่ตกลงไว้ในสัญญา: การบริการหลังการให้บริการทางธุรกิจและการชำระเงิน
 - a. คุณคิดว่าผู้ประสานงานของโรงแรมได้ให้ความสนใจในการทำธุรกิจกับบริษัทของคุณหรือไม่
 - b. คุณมีความพึงพอใจมากน้อยแค่ไหนสำหรับขั้นตอนการชำระเงินของโรงแรม (การถูกต้อง, ตรงต่อเวลา, และการยืดหยุ่น)
 - c. คุณคิดว่าการทำธุรกิจกับโรงแรมคุ้มกับเงินที่คุณหรือบริษัทของคุณจ่ายไปอย่างไร

Problem solving (การแก้ปัญหา)

5. ตลอดระยะเวลาในการให้บริการของโรงแรมคุณได้พบกับปัญหาอะไรบ้างหรือไม่
6. และปัญหานั้นคืออะไร
7. โรงแรมได้มีการแก้ไขปัญหาที่เกิดขึ้นหรือไม่อย่างไร

Overall hotel performance (ภาพรวมในการดำเนินการและการให้บริการของโรงแรม)

8. คุณมีความพึงพอใจมากน้อยแค่ไหนสำหรับภาพรวมในการดำเนินการและการให้บริการของโรงแรม
9. บริษัทของคุณได้ดำเนินธุรกิจกับโรงแรมมานานแค่ไหน
10. ในความคิดเห็นของคุณ กรุณาบอกได้หรือไม่ว่าอะไรที่ทำให้บริษัทของคุณมีความสัมพันธ์อันยาวนานกับโรงแรม
11. คุณคิดว่าอะไรเป็นปัจจัยที่สำคัญที่สุดที่ทำให้คุณหรือบริษัทของคุณมีความสัมพันธ์ที่ยาวนานกับโรงแรม
12. คุณชอบอะไรมากที่สุดเกี่ยวกับโรงแรมนี้
13. คุณไม่ชอบอะไรมากที่สุดเกี่ยวกับโรงแรมนี้

14. คุณคาดหวังอะไรจากโรงแรม
15. คุณต้องการให้โรงแรมเปลี่ยนแปลงอะไรบ้าง
16. คุณคิดว่าบริษัทของคุณจะยังคงมีความสัมพันธ์ที่ยาวนานกับโรงแรมต่อไปหรือไม่
17. คุณมีอะไรจะเพิ่มเติมอีกหรือไม่
18. จากภาพรวมที่คุณได้รับจากการดำเนินการและการให้บริการ คุณจะแนะนำโรงแรมนี้กับเพื่อนของคุณหรือไม่

PART THREE: COMPARISON WITH OTHER HOTELS (เปรียบเทียบกับโรงแรมอื่นๆ)

1. ในความคิดเห็นของคุณ คุณคิดว่าอะไรที่ทำให้โรงแรมนี้แตกต่างจากโรงแรมอื่นที่คุณเคยใช้บริการ
2. คุณได้เจอกับปัญหาจากโรงแรมอื่นที่คุณเคยใช้บริการหรือไม่
3. และปัญหาอะไรบ้างที่คุณเคยเจอ
4. คุณมีความรู้สึกอย่างไรต่อการแก้ปัญหาของโรงแรมนั้น
5. คุณพึงพอใจในการดำเนินการและการให้บริการของโรงแรมที่คุณเคยใช้บริการหรือไม่

4. SCRIPT FOR INTERVIEWS WITH AN INDEPENDENT CUSTOMER

(คำถามที่ใช้ในการสัมภาษณ์ลูกค้า)

PART ONE: GENERAL INFORMATION (ข้อมูลทั่วไปของผู้ให้สัมภาษณ์)

1. ประวัติการศึกษา
2. อาชีพ
3. รายได้ (guide card)
4. คุณมากรุงเทพฯบ่อยหรือไม่
5. คุณพักที่โรงแรมนี้ (ชื่อของโรงแรม) ทุกครั้งที่มากรุงเทพฯหรือไม่
6. ระยะเวลาในการพักที่โรงแรมนี้
7. จุดประสงค์หลักในการพักที่โรงแรมนี้ (พักผ่อน, ธุรกิจ)
8. คุณเลือกโรงแรมโดยตัวคุณเองหรือมีใครเลือกให้
9. คุณมีปัจจัยอะไรในการเลือกโรงแรม
10. โรงแรมนี้เป็นส่วนหนึ่งที่บริษัททัวร์ได้จัดให้หรือไม่

PART TWO: SPECIFIC INFORMATION

Customer expectations before arrival at this hotel

(ความคาดหวังของลูกค้าก่อนการเดินทางเข้าพักที่โรงแรม)

11. คุณคาดหวังอะไรบ้างจากโรงแรมขณะเดินทางถึงโรงแรม
12. คุณคาดหวังอะไรบ้างจากโรงแรมขณะลงทะเบียน (check-in)
13. คุณคาดหวังอะไรบ้างจากโรงแรมที่เกี่ยวข้องกับห้องพัก
14. คุณคาดหวังอะไรบ้างจากโรงแรมหากคุณจะใช้บริการห้องอาหารหรือบาร์ของโรงแรม
15. คุณคาดหวังอะไรบ้างจากโรงแรมหากคุณจะใช้บริการสถานที่ออกกำลังกายของโรงแรม
16. คุณคาดหวังอะไรบ้างจากโรงแรมในเรื่องของความปลอดภัย
17. คุณคาดหวังอะไรบ้างจากโรงแรมเรื่องการให้บริการของพนักงานโรงแรม

18. คุณคาดหวังอะไรบ้างจากโรงแรมหากคุณจะใช้บริการห้องประชุม
19. คุณคาดหวังอะไรบ้างจากโรงแรมขณะเดินทางออกจากโรงแรม (check-out)
20. คุณมีความคิดเห็นอย่างไรบ้างเกี่ยวกับการที่คุณจะใช้บริการที่โรงแรมนี้

Customer satisfaction after staying in this hotel (ความพึงพอใจของลูกค้าหลังการใช้บริการที่โรงแรม)

21. คุณมีความพึงพอใจมากน้อยแค่ไหนขณะเดินทางถึงโรงแรม
22. คุณมีความพึงพอใจมากน้อยแค่ไหนขณะลงทะเบียน (check-in)
23. คุณมีความพึงพอใจมากน้อยแค่ไหนเกี่ยวกับห้องพัก
24. คุณมีความพึงพอใจมากน้อยแค่ไหนหากคุณใช้บริการห้องอาหารหรือบาร์ของโรงแรม
25. คุณมีความพึงพอใจมากน้อยแค่ไหนหากคุณใช้บริการสถานที่ออกกำลังกายของโรงแรม
26. คุณมีความพึงพอใจมากน้อยแค่ไหนในเรื่องของความปลอดภัย
27. คุณมีความพึงพอใจมากน้อยแค่ไหนเรื่องการให้บริการของพนักงานโรงแรม
28. คุณมีความพึงพอใจมากน้อยแค่ไหนหากคุณใช้บริการห้องประชุม
29. คุณมีความพึงพอใจมากน้อยแค่ไหนขณะเดินทางออกจากโรงแรม (check-out)
30. คุณมีความพึงพอใจมากน้อยแค่ไหนเกี่ยวกับการที่คุณใช้บริการที่โรงแรมนี้

Problem solving

21. มีปัญหาหรืออุปสรรคหรือไม่ในขณะที่คุณพักที่โรงแรม
22. หากมีกรุณาเล่าถึงปัญหาที่คุณได้รับ
23. ทางโรงแรมมีการแก้ไขปัญหาให้คุณหรือไม่ อย่างไรและคุณมีความรู้สึกอย่างไรเกี่ยวกับการแก้ไขปัญหา (เช่น ทางโรงแรมมีความจริงจังในการแก้ไขปัญหาหรือไม่)

Overall hotel performance

24. คุณคิดว่าการบริการที่คุณได้รับจากโรงแรมคุ้มค่ากับเงินที่คุณจ่ายไปหรือไม่
25. คุณชอบอะไรมากที่สุดเกี่ยวกับโรงแรมนี้
26. คุณไม่ชอบอะไรมากที่สุดเกี่ยวกับโรงแรมนี้
27. คุณต้องการให้โรงแรมเปลี่ยนแปลงอะไรบ้าง
28. หากคุณกลับมาที่กรุงเทพฯ อีกคุณยังคงเลือกที่จะพักที่โรงแรมนี้อีกหรือไม่
29. คุณจะแนะนำโรงแรมนี้ให้กับเพื่อนหรือญาติของคุณหรือไม่

PART THREE: COMPARISON WITH OTHER HOTELS

1. ในความคิดเห็นของคุณคุณคิดว่าโรงแรมนี้แตกต่างจากโรงแรมอื่นอย่างไรบ้าง
2. คุณเคยใช้บริการที่โรงแรมอื่นๆ ในกรุงเทพฯ หรือไม่
3. คุณเจอกับปัญหาขณะที่คุณพักที่โรงแรมนั้นหรือไม่
4. คุณรู้สึกอย่างไรในการแก้ไขปัญหาของโรงแรมนั้น

5. SCRIPT FOR INTERVIEWS WITH FRONT OF HOUSE STAFF

(คำถามที่ใช้ในการสัมภาษณ์พนักงานต้อนรับ)

1. Sample characteristics and general information (ข้อมูลทั่วไปของผู้ให้สัมภาษณ์)

1. คุณทำงานที่โรงแรมนี้มานานแค่ไหน
2. คุณเคยทำงานที่โรงแรมอื่นมาบ้างหรือไม่
3. คุณรู้สึกอย่างไรบ้างกับการทำงานที่โรงแรมนี้
4. คุณรู้สึกเครียด หรือมีปัญหาในการทำงานบ้างหรือไม่
5. ฟังพอใจแค่ไหนกับเงินเดือนและสวัสดิการที่ได้รับจากโรงแรมนี้
6. คุณเคยเข้ารับการอบรมบ้างหรือไม่ ถ้าเคยกรุณาบอกได้หรือไม่ว่าคุณเข้ารับการอบรมในเรื่องใดบ้าง
7. ปัจจัยอะไรบ้างที่คุณคิดว่ามีความสำคัญที่สามารถทำให้คุณประสบความสำเร็จในอาชีพของคุณ

2. Specific information about their relationship with the customers (ความสัมพันธ์กับลูกค้า)

8. คุณรู้สึกอย่างไรบ้างที่ได้บริการลูกค้า
9. คุณคิดว่าคุณเข้าใจความต้องการที่แท้จริงของลูกค้าหรือไม่ว่าจริงๆ แล้วลูกค้าต้องการอะไร
10. เวลาที่ลูกค้ามีปัญหาคุณเป็นผู้ที่ช่วยลูกค้าในการแก้ปัญหาหรือไม่ และคุณ ได้จัดการกับปัญหาเหล่านั้นอย่างไร
11. คุณคิดว่ามารยาทแบบไทยๆ การไหว้ การยิ้มมีส่วนสำคัญหรือไม่ในการให้บริการ ลูกค้า
12. ลูกค้าที่กลับมาใช้บริการหลายๆ ครั้ง เคยบอกหรือไม่ว่าทำไมเขาถึงกลับมาใช้บริการที่โรงแรมอีก
13. มีอะไรจะเสริมอีกหรือไม่ในเรื่องการบริการลูกค้า

3. Specific information about their relationship with senior staff (ความสัมพันธ์กับผู้บริหาร)

14. ความสัมพันธ์กับผู้บริหารเป็นอย่างไรบ้าง มีปัญหาหรืออุปสรรคอะไรบ้างที่คุณคิดว่ากระทบต่อการทำงาน
15. การติดต่อสื่อสารระหว่างผู้บริหารระดับสูงขึ้นไปและระหว่างระดับล่างลงมาเป็นอย่างไบบ้าง

4. Specific information about their relationship with their colleagues

(ความสัมพันธ์เพื่อนร่วมงาน)

16. ความสัมพันธ์กับเพื่อนร่วมงานเป็นอย่างไบบ้าง
17. คุณมีปัญหาเกี่ยวกับเพื่อนร่วมงานบ้างหรือไม่ อย่างไร
18. การมีปัญหาเกี่ยวกับเพื่อนร่วมงานจะมีผลกระทบต่อการทำงานของคุณหรือไม่ อย่างไร

Appendix 2: Questionnaire

Guest Questionnaire for Ph.D. research

Please provide me with some information about yourself by ticking the appropriate box.

1. What is your gender?

- Male
- Female

2. What is your approximate age group?

- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65 and over

3. Indicate your total household income per year

- under £25,000
- £25,000-£29,999
- £30,000-£39,999
- £40,000-£49,999
- £50,000-£59,999
- £60,000-£84,000
- Over £85,000

4. What is the highest level of education which you have completed?

- School leaving qualification
- Bachelor's degree
- Post-graduate degree
- Other

5. What is your occupation?

- Executive/managerial
- Professional
(Lawyer, doctor, etc)
- Academic/educator
- Computer
technical/engineering
- Other technical/engineering
- Other
- Service/customer support
- Clerical/administrative
- Marketing/sales
- Tradesman/craftsman
- College/graduate student
- Student
- Homemaker
- Self-employed/
own company
- Unemployed,
looking for work
- Retired

6. How many times have you previously visited Bangkok, Thailand?

- This was my first visit
- 1-3 previous visits
- 4 or more previous visits

7. If you have visited Bangkok, Thailand before did you stay at this hotel?

- Yes
- No

8. How long did you stay in this hotel on this visit?

- 1-3 nights
- 4-7 nights
- 8-14 nights
- One month
- More than one month

9. What is your main purpose of your stay in this hotel?

- Business
- Pleasure/Personal

10. Why did you choose this hotel?

- | | | |
|--|---|--|
| <input type="checkbox"/> Previous visit | <input type="checkbox"/> Friend or relative | <input type="checkbox"/> Article |
| <input type="checkbox"/> Attending meeting | <input type="checkbox"/> Travel agent | <input type="checkbox"/> Radio |
| <input type="checkbox"/> Bus tour | <input type="checkbox"/> AAA or tour guide | <input type="checkbox"/> Magazine |
| <input type="checkbox"/> Walk-in | <input type="checkbox"/> Advertisement | <input type="checkbox"/> Special package |
| <input type="checkbox"/> Referral by airline | <input type="checkbox"/> Newspaper | <input type="checkbox"/> Internet |
| <input type="checkbox"/> Other | | |

11. Is this hotel part of your package tour?

- Yes
- No

The next section is divided into two very similar parts to compare your EXPECTATION with your EXPERIENCE

PART ONE: CUSTOMER EXPECTATIONS

How important are these facilities for you?	Very Important	Somewhat Important	Neutral	Somewhat Unimportant	Not At All Important	Not Applicable
1. On your arrival at the hotel:						
- Car parking facilities	<input type="checkbox"/>					
- Friendliness and helpfulness of the doorman	<input type="checkbox"/>					
- Overall condition and appearance of the hotel	<input type="checkbox"/>					
2. At check-in:						
- The time taken for you to check-in	<input type="checkbox"/>					
- Availability of the type of room you had reserved	<input type="checkbox"/>					
- Courtesy and helpfulness of the reception staff	<input type="checkbox"/>					
- Friendliness and helpfulness of the bellman	<input type="checkbox"/>					
3. With regard to your room:						
- Overall quality of the room and furnishings	<input type="checkbox"/>					
- Cleanliness of the room and bathroom	<input type="checkbox"/>					
- Overall comfort of the room	<input type="checkbox"/>					
- Air-conditioning/radiator in the room	<input type="checkbox"/>					
- Lighting in the room	<input type="checkbox"/>					
- Quietness of the room	<input type="checkbox"/>					
- Room being free from unpleasant odors	<input type="checkbox"/>					
- Ability to work in the room	<input type="checkbox"/>					
- Entertainment facilities (e.g. T.V., radio)	<input type="checkbox"/>					
- Other electrical appliances (e.g. Hairdryer)	<input type="checkbox"/>					

How important are these facilities for you?	Very Important	Somewhat Important	Neutral	Somewhat Unimportant	Not At All Important	Not Applicable
4. If you used the hotel's restaurants, bars or in-room dining:						
- Service in the restaurants at breakfast	<input type="checkbox"/>					
- Range/variety of food available in the restaurants at breakfast	<input type="checkbox"/>					
- Quality of the food in the restaurants at breakfast	<input type="checkbox"/>					
- Service in the restaurants at lunch/dinner	<input type="checkbox"/>					
- Quality of the food in the restaurants at lunch/dinner	<input type="checkbox"/>					
- Value for the price paid in the restaurants	<input type="checkbox"/>					
- Service in the bars/lounges	<input type="checkbox"/>					
- Quality of food and drinks in the bars/lounges	<input type="checkbox"/>					
- Speed and efficiency of in-room dining	<input type="checkbox"/>					
- Quality of in-room dining food	<input type="checkbox"/>					
- Range/variety of food available in-room dining	<input type="checkbox"/>					
- Value for the price paid for in-room dining	<input type="checkbox"/>					
5. If you used the leisure and sport facilities:						
- Range of leisure/sports facilities	<input type="checkbox"/>					
- Cleanliness of leisure/sports facilities	<input type="checkbox"/>					
- Friendliness of leisure/sports staff	<input type="checkbox"/>					
6. Your general feeling of safety whilst in the hotel.	<input type="checkbox"/>					
7. Considering the hotel staff and the service they provided:						
- Their friendliness	<input type="checkbox"/>					
- The way messages were passed on to you	<input type="checkbox"/>					
- Meeting your requests with a positive ("can do") attitude	<input type="checkbox"/>					
8. If you used meeting facilities:						
- The meeting or conference room	<input type="checkbox"/>					

How important are these facilities for you?	Very Important	Somewhat Important	Neutral	Somewhat Unimportant	Not At All Important	Not Applicable
9. At check-out:						
- The time taken for you to check-out	<input type="checkbox"/>					
- The accuracy of your itemised bill	<input type="checkbox"/>					
10. Your overall opinion of your stay at this hotel:						
- Taking everything into consideration	<input type="checkbox"/>					
- The value which the hotel provided for the price you paid	<input type="checkbox"/>					

PART TWO: CUSTOMER SATISFACTION

How satisfied are you with these facilities?	Completely Satisfied	Very Satisfied	Fairly Satisfied	Somewhat Satisfied	Very Dissatisfied	Not Applicable
1. On your arrival at the hotel:						
- Car parking facilities	<input type="checkbox"/>					
- Friendliness and helpfulness of the doorman	<input type="checkbox"/>					
- Overall condition and appearance of the hotel	<input type="checkbox"/>					
2. At check-in:						
- The time taken for you to check-in	<input type="checkbox"/>					
- Availability of the type of room you had reserved	<input type="checkbox"/>					
- Courtesy and helpfulness of the reception staff	<input type="checkbox"/>					
- Friendliness and helpfulness of the bellman	<input type="checkbox"/>					
3. With regard to your room:						
- Overall quality of the room and furnishings	<input type="checkbox"/>					
- Cleanliness of the room and bathroom	<input type="checkbox"/>					
- Overall comfort of the room	<input type="checkbox"/>					
- Air-conditioning in the room	<input type="checkbox"/>					
- Lighting in the room	<input type="checkbox"/>					
- Quietness of the room	<input type="checkbox"/>					
- Room being free from unpleasant odours	<input type="checkbox"/>					

How satisfied are you with these facilities?	Completely Satisfied	Very Satisfied	Fairly Satisfied	Somewhat Satisfied	Very Dissatisfied	Not Applicable
<ul style="list-style-type: none"> - Ability to work in the room - Entertainment facilities (e.g. T.V., radio) - Other electrical appliances (e.g. Hairdryer) 	<input type="checkbox"/>					
4. If you used the hotel's restaurants, bars or in-room dining:						
<ul style="list-style-type: none"> - Service in the restaurants at breakfast - Range/variety of food available in the restaurants at breakfast - Quality of the food in the restaurants at breakfast - Service in the restaurants at lunch/dinner - Quality of the food in the restaurants at lunch/dinner - Value for the price paid in the restaurants - Service in the bars/lounges - Quality of food and drinks in the bars/lounges - Speed and efficiency of in-room dining - Quality of in-room dining food - Range/variety of food available in-room dining - Value for the price paid for in-room dining 	<input type="checkbox"/>					
5. If you used the leisure and sport facilities:						
<ul style="list-style-type: none"> - Range of leisure/sports facilities - Cleanliness of leisure/sports facilities - Friendliness of leisure/sports staff 	<input type="checkbox"/>					
6. Your general feeling of safety whilst in the hotel.	<input type="checkbox"/>					

How satisfied are you with these facilities?	Completely Satisfied	Very Satisfied	Fairly Satisfied	Somewhat Satisfied	Very Dissatisfied	Not Applicable
7. Considering the hotel staff and the service they provided:						
<ul style="list-style-type: none"> - Their friendliness - The way messages were passed on to you - Meeting your requests with a positive (“can do”) attitude 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. If you used our meeting facilities:						
<ul style="list-style-type: none"> - The meeting or conference room 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. At check-out:						
<ul style="list-style-type: none"> - The time taken for you to check-out - The accuracy of your itemised bill 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Your overall opinion of your stay at this hotel:						
<ul style="list-style-type: none"> - Taking everything into consideration - The value which the hotel provided for the price you paid - Did any aspects of your stay exceed your expectations 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know <input type="checkbox"/>
11. Significant problems or difficulties which you encountered during your stay:						
<ul style="list-style-type: none"> - Did you encounter any significant problem or difficulties - If yes, did you report them - Was action taken to resolve the problem - Did you feel satisfied with the hotel responded 	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Don't know <input type="checkbox"/>			
12. Did you make the decision to stay at this hotel yourself?						
	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Don't know <input type="checkbox"/>			

13. If you were to return to this city, would you stay at this hotel again?

Yes

No

Don't know

14. Will you recommend this hotel to your friends?

Yes

No

Don't know

15. Do you have any comments about this hotel?

Thank you for taking the time to fill in this survey.

Appendix 3: Documents

Letter for the interview respondents

Dear Respondent,

As part of my PhD research at the Nottingham Trent University, United Kingdom, I am conducting a survey that investigates relationship marketing in the hotel industry. This interview will invite you to identify and give your judgements on various attributes of service in the hotel. It will take approximately 30 minutes to 1 hour to complete.

Any information obtained in connection with this study, which can be identified with you, will remain completely confidential. In the thesis no one will be identified and only group data will be presented. You are free to withdraw your participation at any time. If you have any queries regarding the research, please do not hesitate to contact me at kay.preechanont@ntu.ac.uk

Thank you very much for your cooperation

Yours sincerely

Miss Piyanuch Preechanont

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Letter for the survey respondents

Dear Respondent,

As part of my Ph.D. research at the Nottingham Trent University, United Kingdom, I am conducting a survey that investigates relationship marketing in the hotel industry. This questionnaire will invite you to identify and give your judgements on various attributes of the service in this hotel and the outcome of this research may provide more understanding about the consumer-hotel relationship. It will take approximately 10 minutes to complete.

Any information obtained in connection with this study which can be identified with you, will remain completely confidential. In the thesis no one will be identified and only group data will be presented. It would be very helpful if you could make a note regarding any questions that are not clear for you. If you have any queries regarding the research, please do not hesitate to contact me at kay.preechanont@ntu.ac.uk

Thank you very much for your cooperation

Yours sincerely

Miss Piyanuch Preechanont

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Appendix 4: Customer expectations vs. Customer satisfaction

Customer expectations with the facilities and services the hotel provide (%)

	Very Important (1)	Somewhat Important (2)	1+2	Neutral (3)	Somewhat Unimportant (4)	Not At All Important (5)	4+5	Not Applicable
B1. On your arrival:								
-B1.1 Car parking facilities	22	29.5	51.5	24	5.3	4.2	9.5	1.5
-B1.2 Friendliness and helpfulness of the doorman	41.8	33.7	75.5	20.9	2.4	0.5	2.9	0.5
-B1.3 Overall condition and appearance of the hotel	47	36.9	83.9	14.8	1.4	-	1.4	-
B2. At check-in:								
-B2.1 The time taken for you to check-in	40.4	46.3	86.7	12.2	1.1	-	1.1	-
-B2.2 Availability of the type of room you had reserved	45.8	39.5	85.3	13.4	0.8	0.3	1.1	0.3
-B2.3 Courtesy and helpfulness of the reception staff	48.9	35.6	84.5	15.2	0.3	-	0.3	-
-B2.4 Friendliness and helpfulness of the bellman	42.2	37.9	80.1	18.3	1.4	-	1.4	0.3
B3. With regard to your room:								
-B3.1 Overall quality of the room and furnishings	39.7	44.8	84.5	14.7	0.8	-	0.8	-
-B3.2 Cleanliness of the room and bathroom	57.7	32.2	89.9	12.2	0.8	-	0.8	-
-B3.3 Overall comfort of the room	43.3	41.7	85	13.4	1.4	-	1.4	0.3
-B3.4 Air-conditioning/radiator in the room	47.4	35.7	83.1	16.3	0.5	-	0.5	-
-B3.5 Lighting in the room	33.2	45.1	78.3	19.3	2.4	-	2.4	-
-B3.6 Quietness of the room	41.4	38.6	80	18.4	1.6	-	1.6	-
-B3.7 Room being free from unpleasant doors	46.3	32.7	79	19.3	1.6	-	1.6	-
-B3.8 Ability to work in the room	26.5	41.8	68.3	24.3	3.8	2.5	6.3	1.1
-B3.9 Entertainment facilities (e.g. T.V., radio)	26.4	47.6	74	21.7	2.2	2.2	4.4	-
-B3.10 Other electrical appliances (e.g. Hairdryer)	23.4	43.9	67.3	26.7	4.4	1.4	5.8	0.3
B4. If you used the hotel's								

restaurants, bars or in-room dining:								
-B4.1 Service in the restaurants at breakfast	39.7	43.5	83.2	15.5	0.5	0.5	1	0.3
-B4.2 Range/variety of food available in the restaurants at breakfast	36.6	48.6	85.2	12.6	4.4	1.4	5.8	0.3
-B4.3 Quality of the food in the restaurants at breakfast	47.8	37.4	85.2	13.7	0.3	0.5	0.8	0.3
-B4.4 Service in the restaurants at lunch/dinner	35.1	42	77.1	17.7	1.9	0.3	2.2	0.3
-B4.5 Quality of the food in the restaurants at lunch/dinner	39.1	40.2	79.3	15.1	1.7	0.6	2.3	3.4
-B4.6 Value for the price paid in the restaurants	30.8	47.1	77.9	18.5	1.1	-	1.1	2.5
-B4.7 Service in the bars/lounges	27.3	42	69.3	24	2.5	1.1	3.6	3
-B4.8 Quality of food and drinks in the bars/lounges	30.5	40.4	70.9	21.2	3.3	1.1	4.4	3.6
-B4.9 Speed and efficiency of in-room dining	27.4	39.2	66.6	24.1	4.4	0.5	4.9	4.4
-B4.10 Quality of in-room dining food	28.3	39	67.3	21.7	4.7	1.1	5.8	5.2
-B4.11 Range/variety of food available in-room dining	23.9	39.3	63.2	25.3	5.2	1.1	6.3	5.2
-B4.12 Value for the price paid for in-room dining	28.2	36.4	64.6	24.7	4.4	0.8	5.2	5.5
B5. If you used the leisure and sport facilities:								
-B5.1 Range of leisure/sports facilities	24.7	39.6	64.3	24.7	3.9	0.3	4.2	6.9
-B5.2 Cleanliness of leisure/sports facilities	33.9	34.7	68.6	21.5	3.3	0.3	3.6	6.3
-B5.3 Friendliness of leisure/sports staff	29.6	37.4	67	22.2	3.6	0.3	3.9	6.9
B6. Your general feeling of safety whilst in the hotel	50.9	37.3	88.2	10.9	0.3	-	0.3	0.6
B7. Considering the hotel staff and the service they provided:								
-B7.1 Their friendliness	54.3	32.9	87.2	12.2	0.5	-	0.5	-
-B7.2 The way messages were passed on to you	44.5	35.6	80.1	16.6	1.4	-	1.4	1.9
-B7.3 Meeting your requests	47.8	34.8	82.6	16.6	0.3	0.3	0.6	0.3

with a positive (“can do”) attitude								
B8. If you used meeting facilities:								
-B8 The meeting or conference room	16.3	33.1	49.4	18.8	3.4	0.8	4.2	27.5
B9. At check-out:								
-B9.1 The time taken for you to check-out	37.9	42.2	80.1	17.2	2.2	0.3	2.5	0.3
-B9.2 The accuracy of your itemised bill	45.1	35.2	80.3	17.6	1.9	-	1.9	0.3
B10. Your overall opinion of your stay at this hotel:								
-B10.1 Taking everything into consideration	40.5	43.8	84.3	14	1.1	0.5	1.6	-
-B10.2 The value which the hotel provided for the price you paid	44.6	36.1	80.7	17.6	1.4	0.3	1.7	-

Customer satisfaction with the facilities and services the hotel provide (%)

	Completely Satisfied (1)	Very Satisfied (2)	1+2	Fairly Satisfied (3)	Somewhat Satisfied (4)	Very Dissatisfied (5)	4+5	Not Applicable
C1. On your arrival at the hotel:								
- C1.1 Car parking facilities	16.9	27.8	44.7	23.3	3.4	0.6	4	28.1
- C1.2 Friendliness and helpfulness of the doorman	29.4	48.5	77.9	18.5	1.4	0.5	1.9	1.6
- C1.3 Overall condition and appearance of the hotel	30	46.8	76.8	20.1	2.2	-	2.2	0.8
C2. At check-in:								
-C2.1 The time taken for you to check-in	28.8	49.5	78.3	18.5	2.4	0.5	2.9	0.3
-C2.2 Availability of the type of room you had reserved	32.2	42.6	74.8	22.1	2.7	-	2.7	0.3
-C2.3 Courtesy and helpfulness of the reception staff	35.1	43.2	78.3	19.3	1.9	0.5	2.4	-
-C2.4 Friendliness and helpfulness of the bellman	37.2	42.6	79.8	17.2	1.9	0.8	2.7	0.3
C3. With regard to your room:								
-C3.1 Overall quality of the	26.7	43.9	70.6	27	2.2	0.3	2.5	-

room and furnishings									
-C3.2 Cleanliness of the room and bathroom	30.2	49.5	79.7	15.8	3	1.6	4.6	-	
-C3.3 Overall comfort of the room	27.5	47.7	75.2	22.9	1.6	0.3	1.9	-	
-C3.4 Air-conditioning/radiator in the room	27.4	43.9	71.3	24.7	3.8	0.3	4.1	-	
-C3.5 Lighting in the room	23.2	45.2	68.4	26.7	3.3	1.4	4.7	0.3	
-C3.6 Quietness of the room	24.2	46.7	70.9	24.5	4.1	0.3	4.4	0.3	
-C3.7 Room being free from unpleasant doors	24.2	44.8	69	27.7	3.3	-	3.3	-	
-C3.8 Ability to work in the room	17	34.9	51.9	34.9	3.4	0.6	4	9.2	
-C3.9 Entertainment facilities (e.g. T.V., radio)	19.3	39.1	58.4	35.8	3.3	1.1	4.4	1.4	
-C3.10 Other electrical appliances (e.g. Hairdryer)	21.5	35.8	57.3	34.7	3.6	1.4	5	3	
C4. If you used the hotel's restaurants, bars or in-room dining:									
-C4.1 Service in the restaurants at breakfast	27.5	44.7	72.2	20.4	1.9	1.1	3	4.4	
-C4.2 Range/variety of food available in the restaurants at breakfast	23.4	44.1	67.5	24.5	3	1.4	4.4	3.5	
-C4.3 Quality of the food in the restaurants at breakfast	22.7	45.9	68.6	23.5	3	1.1	4.1	3.8	
-C4.4 Service in the restaurants at lunch/dinner	18.7	38.6	57.3	20.9	1.9	0.8	2.7	19	
-C4.5 Quality of the food in the restaurants at lunch/dinner	19.9	35.6	55.5	21	2.2	1.1	3.3	20.2	
-C4.6 Value for the price paid in the restaurants	18.6	33.3	51.9	24.6	2.5	1.1	3.6	19.9	
-C4.7 Service in the bars/lounges	19.6	31.5	51.1	21.3	3	1.1	4.1	23.5	
-C4.8 Quality of food and drinks in the bars/lounges	18.4	33.2	51.6	21.4	3	0.8	3.8	23.3	
-C4.9 Speed and efficiency of in-room dining	14.7	31	45.7	21.9	3.6	0.8	4.4	28	
-C4.10 Quality of in-room dining food	15.2	29.8	45	21.8	2.8	1.4	4.2	29	
-C4.11 Range/variety of food available in-room dining	15.2	30.1	45.3	20.7	3.3	1.7	5	29	
-C4.12 Value for the price paid	14.9	28.2	43.1	23.5	3.3	1.1	4.4	29	

for in-room dining								
C5. If you used the leisure and sport facilities:								
-C5.1 Range of leisure/sports facilities	16.9	25.5	42.4	25.8	3.6	-	3.6	28.3
-C5.2 cleanliness of leisure/sports facilities	19.3	28.5	47.8	21.8	1.9	-	1.9	28.5
-C5.3 Friendliness of leisure/sports staff	19.7	29.2	48.9	18.9	2.5	0.3	2.8	29.4
C6. Your general feeling of safety whilst in the hotel	40.1	42	82.1	15	1.6	-	1.6	1.4
C7. Considering the hotel staff and the service they provided:								
-C7.1 Their friendliness	37.3	48	85.3	13.6	0.8	0.3	1.1	-
-C7.2 The way messages were passed on to you	30.5	42.3	72.8	20.1	0.8	0.5	1.3	5.8
-C7.3 Meeting your requests with a positive (“can do”) attitude	34.5	40.7	75.2	21.2	1.1	0.6	1.7	1.9
C8. If you used meeting facilities:								
-C8 The meeting or conference room	12.7	25.2	37.9	16.7	1.4	-	1.4	43.9
C9. At check-out:								
-C9.1 The time taken for you to check-out	23.2	45.7	68.9	16.5	0.6	0.3	0.9	13.7
-C9.2 The accuracy of your itemised bill	28.4	40.1	68.5	15.6	1.4	-	1.4	14.5
C10. Your overall opinion of your stay at this hotel:								
-C10.1 Taking everything into consideration	32	51.2	83.2	16	0.8	-	0.8	-
-C10.2 The value which the hotel provided for the price you paid	33.6	44.9	78.5	19.6	1.1	-	1.1	0.8

Note: More than 20% of the respondents chose ‘not applicable’ in the section C4, C5, and C8 because they did not use the facilities and services

Customer expectations and satisfaction separate into nine hotels

Customer expectations and satisfaction separate into nine hotels		
Hotel	Customer expectations (EXP) (more than 80% answered 'very important' and 'somewhat important')	Customer satisfaction (SAT) (more than 80% answered 'completely satisfied' and 'very satisfied')
Hotel 7	<ul style="list-style-type: none"> - Friendliness of the staff (99%), - The time the staff takes to check-in (94%), - The courtesy and helpfulness of the reception staff (93.9%). 	<ul style="list-style-type: none"> - Friendliness of the staff (93%) - The hotel takes everything into account (90.9%)
Hotel 8	<ul style="list-style-type: none"> - Overall condition and appearance of the hotel (100%) - Range and variety of food available in the restaurants at breakfast (100%) 	<ul style="list-style-type: none"> - The friendliness of the staff (100%), - General feeling of safety whilst in the hotel (97.5%), - Availability of the type of room they had reserved (97.5%), - Hotel is taking everything into consideration (94.5%), - Courtesy and helpfulness of the reception staff (92.5%), - Cleanliness of the room and bathroom (92.5%), - Room being free from unpleasant odours (92.5%), - Staff is meeting the customer requests with a positive ("can do") attitude (91.8%) - The time taken to check-in (90%)
Hotel 10	<ul style="list-style-type: none"> - Quality of the food in the restaurants at breakfast (96.7%), - Range and variety of food available in the restaurants at breakfast (94.9%), - Overall condition and appearance of the hotel (95%), - The time taken to check-out (95%) 	<ul style="list-style-type: none"> - The friendliness of the staff (86.5%), - Courtesy and helpfulness of the reception staff at the check in point (85%), - The value which the hotel provided for the price they paid (82.8%), - The hotel is taking everything into consideration (82.7%)
Hotel 11		<ul style="list-style-type: none"> - A general feeling of safety whilst in the hotel (90%)
Hotel 13	<ul style="list-style-type: none"> - The time taken for check-in" (95%), - Availability of the type of room they had reserved (90%), - The friendliness of the staff (95%), the way messages were passed on to them (95%), - Meeting the customer requests with a positive ("can do") attitude (95%), 	<ul style="list-style-type: none"> - The ability to work in the room (90%) - the accuracy of the itemised bill (90%),
Hotel 14		<ul style="list-style-type: none"> - The general feeling of safety whilst in the hotel (80%), - The friendliness of the staff (80%)
Hotel 15	<ul style="list-style-type: none"> - The hotel takes everything into account (95%), - The time taken to check out (90%), 	<ul style="list-style-type: none"> - The hotel took everything into account (95%), - The ability to work in the room (95%), - The quality of the food in the restaurants at

	- The general feeling of safety whilst in the hotel (89.4%)	breakfast (90%)
Hotel 16	<ul style="list-style-type: none"> - Range and variety of food available in the restaurants at breakfast (90%), - Quality of the food in the restaurants at breakfast (85%), - Value for the price paid in the restaurants (85%), - Entertainment facilities (e.g. T.V., radio) (85%) 	
Hotel 18	<ul style="list-style-type: none"> - The overall quality of the room and furnishings (96.5%), - Overall condition and appearance of the hotel (93.1%), - The time taken for you to check-in (93.1%), - Range and variety of food available in the restaurants at breakfast (93.1%), - The quality of the food in the restaurants at lunch/dinner (93.5%) 	- The friendliness of the staff (82.8%)