



Development Guidelines for Management of Small Hotel Businesses Management to become Innovation-Driven Enterprises in Thailand's Eastern Economic Corridor

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Abstract

Development guidelines were investigated for small hotel business management toward innovation-driven enterprise in the Eastern Economic Corridor (EEC) of Thailand. The study used mixed methods, consisting of quantitative and qualitative research. The quantitative research instruments were questionnaires and data analysis using multiple regression analysis. The qualitative research used a set of questions for in-depth interviews and data analysis based on content analysis. The results of the quantitative research showed that all factors in service quality influenced a traveler's return to a small hotel. The order of influence from most to least was: reliability (beta = 0.235), empathy (beta = 0.230), responsiveness (beta = 0.204), tangibility (beta = 0.140), and assurance (beta = 0.118). The qualitative research found that business management development guidelines should contain: the use of websites, social media, online check-in/out, virtual reality, mobile booking, mobile payment, mobile guest services, Internet of Things, innovative design concepts, a property management system, focus on assisting people using automation, robotics, the use of intelligent analysis technology, and personalized experience systems to assist in management.

Keywords: 1) Small Hotel Business Management 2) Innovation-Driven Enterprise 3) Eastern Economic Corridor

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Introduction

Global economic and industrial development is constantly changing due to technological advances and rapid communication and transport development, resulting in information and goods exchanges, as well as cultural interactions among diverse countries around the world. Therefore, the trend of global change and consumer behavior change is a significant factor that must be a focus for entrepreneurs in the business sector, especially in small and medium enterprises (SMEs). Business management needs to be developed or modified to suit the context change because large businesses often have advantages in terms of capital and business potential. SMEs must be rapidly developed to enhance business competitiveness through technologies or innovations that assist management in reducing costs and expanding marketing channels, as well as developing products and services to meet quality standards, approaching an innovation driven enterprise (IDE). A small hotel business is an example of an SME that creates jobs for local people and distributes income to many local stakeholders, playing an important role in driving Thailand's economy. It is an essential component, leading to a better economic and social structure. However, currently, small hotel businesses still lack knowledge and are facing major challenges in utilizing technology or innovation and adapting management to create new value for customers and financial returns for the business. Furthermore, the business characteristics are that locals frequently invest and manage everything in the hotel themselves, as well as

having low investment and limited capital for business operations, in contrast to large hotels that have higher standards in all matters and managerial competence. Thus, the small hotel business is limited in its competitive ability in the industry. To improve business competitiveness, a small hotel business must be evolved into an IDE (Hu, Kandampully and Devi, 2009; Al-Rousan, Ramzi and Mohamed, 2010; Ye, et al., 2012; Bostanji, 2013; Tanongphaeng and Na Thalang, 2017; Chaisaengpratheep, 2018; Dhiratanuttdilok, 2017; Ministry of Industry, 2019).

A small hotel business is a service business; therefore, operations are focused on providing services to meet or exceed customer expectations. Service quality is based on customer perception. Developing a small hotel business to promote customer perception must improve the quality of service, based on 5 aspects (tangibility, reliability, responsiveness, assurance, and empathy) to create uniqueness and gain a competitive advantage in the industry, to encourage customers to return to small hotels. The development of a small hotel business into an IDE is in line with the strategic planning in Thailand 4.0 that focuses on developing the country with technology and innovation. It will encourage entrepreneurs at all levels to use technology and innovation in their business operations, to develop into an IDE. An important part of the strategy is the development of the Eastern Economic Corridor (EEC) project, which is an area-based development project to extend the success of the Eastern Seaboard Development Plan in Chachoengsao, Chonburi, and Rayong provinces, which aims to develop modern and



environmental-friendly economic activities for increasing the country's competitiveness and provide a one-stop service to reduce obstacles and business operation costs, as well as develop cities in a modern international way suitable for effective business operations (Parasuraman, Zeithaml and Berry, 2013; Prawram, 2015; Suwannaphong, 2016; Chumanee and Tantong 2018; Temrat and Boonpalit, 2018; Ministry of Industry, 2019; Ofosu-Boateng and Acquaye, 2020).

For these reasons, the researcher was interested in studying the guidelines for the development of small hotel business management to develop into an IDE in the EEC, with the new knowledge obtained being consistent with the context of today's society and suitable for small hotel businesses in the EEC. In addition, the guidelines should be applicable to small hotel businesses in other areas of Thailand to develop business management into innovation-driven enterprises. It should boost the competitiveness and income of small hotel businesses for many small entrepreneurs and local stakeholders. It should also play an important role in driving the country's economy, resulting in a better economic and social structure.

Research Objectives

To provide guidelines for the development of small hotel business management to develop innovation-driven enterprise in the Eastern Economic Corridor.

Expected Benefits

Guidelines for the development of

small hotel business management to develop innovation-driven enterprise in the Eastern Economic Corridor.

Literature Review

'Hotel' is defined as an accommodation established for business purposes to provide temporary lodging for travelers or any other persons on payment, which can be divided into 3 types of hotels (Hotel Act B.E. 2004; Piyaratanapipat, 2015; Sittichai, Kun-oon, and Hathaiwasiwong Suksri, 2017; Tanongphaeng and Na Thalang, 2017) as follows:

1. A small hotel business is a hotel business that typically has less than 100 rooms and the business owners, usually local people, manage the business by themselves. The business organization structure consists of reception, housekeeping, food and beverage, and supporting works.

2. A medium business hotel is a hotel business with full facility services to meet the customers' requirements. It has more rooms than a small hotel business but less than 300 rooms. The service criteria result is "good" or "very good" outcomes based on customer feedback. There is stated quality and standardization in all matters, especially in terms of service.

3. A large business hotel is a luxury hotel business with more than 300 rooms that reaches a high standard of international service for all aspects of service including rooms, restaurants, services, and facilities. Large hotels involve high investment; therefore, there are fewer businesses in this type, with most being in big cities that are business

centers and tourist towns, catering to businessmen and tourists. Most large business hotels are operated by international hotel chains that have expertise in international network business management.

This research concluded that a small hotel business is a hotel business with less than 100 rooms, providing only room service or room and restaurant service on payment.

A small hotel business is a service business; thus, business operations focus on service to meet or exceed customer expectations. Service quality is based on customer perception, so the customers assess the quality of the service. The management of a small hotel business should always improve the quality of service to create differentiation and increase their competitive advantage in the industry. Service quality is an important issue for small hotel entrepreneurs by carefully considering the quality of service provided to meet the various needs of customers. As a result, it can be said that service quality is the main function in the management of small hotel entrepreneurs (Ho, et al., 2013; Markovic and Jankovic, 2013; Hussain, Al Nasser and Hussain, 2015; Prawram, 2015; Suwannaphong, 2016; Yuanwei and Lertbuasin, 2018).

Kotler (2010) states that a service is an activity that one party can offer to another, which is essentially intangible and does not result in the ownership of anything with goals and intentions in delivering service. However, such action may or may not be included with tangible products. The service has four important characteristics:

(1) Intangibility, as a service cannot be

seen or felt before purchase.

(2) Variability, as the quality of the service is uncertain depending on who provides it, as well as when and how it is provided.

(3) Inseparability, as production and consumption occur simultaneously. At this point, it is the opposite to the production of goods, which starts from bringing raw materials to produce items that are then stored in the warehouse, with consumption occurring after a purchase decision is made by the consumer. Services are first purchased by consumers, then produced and consumed simultaneously.

(4) Perishability, as services cannot be produced and stored. The service component is not a problem if the demand is steady. However, demand uncertainty can cause problems, such as late delivery of the service or a lack of customers in some cases.

Service quality is what customers acquire from a service. The customers will assess the quality of service in 5 dimensions as follows (Parasuraman, Zeithaml and Berry, 2013):

(1) Tangibility, as services should have a physical appearances such as equipment and office equipment, environment and decoration, staff uniforms, flyers and documents, notice boards, cleanliness and order in the office, and location—such characteristics will help customers to perceive the intended provision of service and be clearly seen by customers.

(2) Reliability that involves providing services on time as promised to customers. The service that is provided to customers every time must be accurate, appropriate,



and regular. Customer data are stored and utilized immediately. There is sufficient staff to provide services and willingly solve customers' problems.

(3) Responsiveness denotes a willingness to assist consumers by delivering fast service and being enthusiastic while not requiring customers to wait in long queues. Customers must be instantly offered help without be ignored. The speedy response must come from the staff and efficient service processes.

(4) Assurance means providing services from employees who have the knowledge and ability to provide accurate information and have the working skills to meet the needs of customers and have good human relations so that customers trust and feel safe and are satisfied with the standard of service.

(5) Empathy so that employees provide each customer service with care and friendliness. Customers are treated like favored relatives and informed of relevant information. There are similarities and differences in some subjects that can be included in guidelines for serving each customer's specific requirements to create customer satisfaction.

Relevant Research on Service Quality

Chumanee and Tantong (2018) studies a model regarding the effects on tourist loyalty of the service quality of hotels in Phuket, Krabi, and Phang-Nga provinces, Thailand. The results produced a model regarding the effects of service quality containing 5 aspects: tangibility, reliability, responsiveness, assurance, and empathy. There was a positive correlation with tourist loyalty.

Temrat and Boonpalit (2018) re-

searched factors on service quality affecting returning guests staying at 5-star hotels in Bangkok, Thailand. They identified 5 factors of service quality: tangibility, reliability, responsiveness, assurance, and empathy. These factors influenced returning guests to 5-star hotels in Bangkok.

Ofosu-Boateng and Acquaye (2020) studied the effects of service quality and customer satisfaction on customer loyalty in the hospitality industry of Ghana. They found that service quality consisted of: tangibility, reliability, responsiveness, assurance, and empathy. There was a significant, positive relationship between service quality and customer loyalty. At the same time, there was a significant, positive correlation between customer satisfaction and customer loyalty.

These studies showed service quality is something that customers receive during the giving implementation of a service function, that can be measured using a service quality indicator in 5 dimensions: tangibility, reliability, responsiveness, assurance, and empathy.

Improving service quality in a small hotel business must consider the provision of customer service. In addition, with the rapid change in consumer behavior, small hotel business entrepreneurs need to improve their business management to be consistent with contextual change, introducing technology or innovation to assist management to reduce costs, expand marketing channels, and develop products and services to meet quality standards to move toward being an IDE. The word "innovation" comes from the Latin word "innovare" meaning creating something

new using knowledge, creativity, skills, and experience in technology or management, to develop and produce new goods, processes, or services for meeting the market demand. The definition of “innovation” in terms of economics is to adopt a new concept, use the traditional advantage in new ways to generate economic benefits, or doing things differently from others, based on the various changes that occur around us to turn them into opportunities and to convey a new idea that benefits self and benefits society. In terms of business, “innovation” means simply inventing something in new ways through inventions, extensions, and changing thoughts on production, processes, systems, organizational structures, and business models to create new value for customers and to provide financial returns for the business, in a way that is socially and environmentally acceptable and does not violate morality, ethics, cultures, and traditions. The difference between invention, initiative, and innovation is that anything must be visibly unique to be considered an innovation. It is not only a significant change, but also one that adds value, namely value to the customer or producer (Aujirapongpan, et al., 2010; National Innovation Agency, 2010; Ministry of Industry, 2019).

This research concluded that an IDE is an enterprise that brings technology or innovation to assist management in reducing costs, expanding marketing channels, as well as developing products and services to meet quality standards to create new value for customers and financial returns for the business.

The development of a small hotel

business into an IDE is in line with the strategic planning in Thailand 4.0 that focuses on developing the country through using technology and innovation. It will encourage entrepreneurs at all levels to use technology and innovation in their business operations, approaching an IDE. In terms of SMEs, it emphasizes promoting entrepreneurs who are related to potential Thai industries (“First S-Curve”) and future industries (“New S-Curve”), to bring technology and innovation to assist management in reducing costs, expanding marketing channels, trading raw materials and products, and developing products and services to meet quality standards for upgrading to be an IDE. The Strategic Plan of Thailand 4.0 Model has an important component describing the development of the Eastern Economic Corridor (EEC) project, which is an area-based development project to extend the success of the Eastern Seaboard Development Plan in Chachoengsao, Chonburi, and Rayong provinces—an area known as the Eastern Economic Corridor (EEC). The aims are to: (1) develop modern and environmental-friendly economic activities to increase the country's competitiveness; (2) provide one-stop service to reduce obstacles and business operation costs; (3) continuously build basic infrastructure components and efficient utilities that people can conveniently access, with whole systems being linked; (4) determine the use of land appropriate to the conditions and potential of the area to be consistent with the principles of sustainable development; and (5) develop cities in a modern international way suitable for comfortable and safe living with coverage accessibility in a



quality business operational framework (Ministry of Industry, 2019).

Based on the literature review above, it is concluded that the development of a small hotel business needs to improve the quality of service which consists of 5 dimensions: tangibility, reliability, responsiveness, assurance, and empathy for returning tourists staying at small hotels. However, with the rapid change in consumer behavior, small hotel business entrepreneurs need to improve their business management to be consistent with the contextual change, by using technology or innovation to assist management to improve toward becoming an IDE, which is in line with the EEC project under the strategic plan of the Thailand 4.0 model that focuses on the development

of the country through technology and innovation. Therefore, this research established the following hypotheses and conceptual framework.

Hypothesis 1 : Tangibility influences returning tourists staying at small hotels

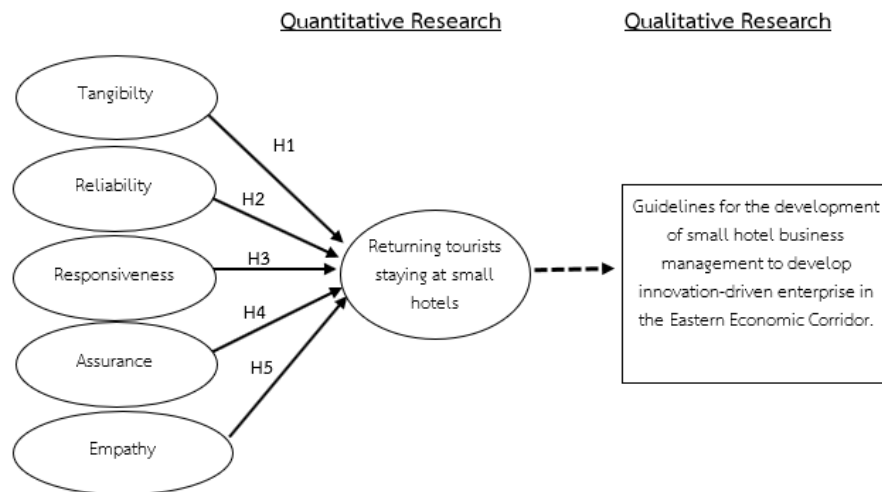
Hypothesis 2 : Reliability influences returning tourists staying at small hotels

Hypothesis 3 : Responsiveness influences returning tourists staying at small hotels

Hypothesis 4 : Assurance influences returning tourists staying at small hotels

Hypothesis 5 : Empathy influences returning tourists staying at small hotels

Conceptual Framework



Picture No. 1 Conceptual Framework

Methods

This study used mixed methods research consisting of quantitative research and qualitative research. Step 1 involves quantitative research to study tourists' perceptions of the service quality of small hotels in the EEC. Step 2 uses qualitative research to find the

guidelines on management development in small hotel businesses to help them become IDEs in the EEC. Therefore, this research used the following specific research methods:

1. Quantitative Research

1.1 Population and Sample

The population is tourists staying in

small hotels in the EEC (Chachoengsao, Chonburi, and Rayong provinces). Statistics on the number of tourists staying in small hotels in the EEC are unavailable. However, based on Taro Yamane's table with a 95 % confidence level, if the population size is unknown, the sample size is 400.

Thus, the researcher defined the sample size as 400 and used multi-stage sampling. Step 1 divided the samples into 133 cases per province, for the 2 provinces of Chachoengsao and Rayong, and 134 for the province of Chonburi. (The Chonburi sample size was greater than other provinces because the Tourism Authority of Thailand (2019) stated that Chonburi was a popular tourist province and had had a famous beach for a long time) Step 2 determined using convenience sampling.

1.2 Research Instrument

The research instrument was a questionnaire, divided into 3 parts:

Part 1 General information, consisting of: gender, age, education, status, occupation, and monthly income.

Part 2 Travel behavior and using small hotel businesses, consisting of: the main objectives of travel, travel companions, hotel reservation process, length of stay, and whether a returning tourist staying at a small hotel.

Part 3 involved perception of service quality (consisting of tangibility, reliability, responsiveness, assurance, and empathy) using a 5-point Likert scale and defining a frequency density of a class interval of 0.80 in the interpretation (source: calculated from the range).

1.3 Validation of Research Instrument

1.3.1 Validation of questions in terms

of content validity by 3 experts considered the consistency and suitability of individual questions and operational definitions and whether they were suitable and measurable according to the purpose. The criteria for question selection considered only questions with an IOC score of greater than 0.5 (Rovinelli and Hambleton, 1977). When considering the IOC score, it was found that every question had scores greater than 0.5, so they were suitable to measure the objectives with suitable consistency relative to the operational definition.

1.3.2 Verification of instruments analyzed the reliability of the questionnaire by finding the alpha coefficient to measure the internal consistency model, using the Cronbach method (1974, p.161) and requiring the mean to be not less than 0.7 (Cortina, 1993). The alpha coefficient value for the reliability of the whole questionnaire was 0.959, indicating that the instrument was reliable.

1.4 Data Collection

The researcher used questionnaires on field trips to ask the samples at the tourist destinations in Chachoengsao, Chonburi, and Rayong provinces.

1.5 Data Analysis

Data in parts 1 and 2 of the questionnaire were analyzed based on the frequency expressed as a percentage. Part 3 of the questionnaire was analyzed based on the frequency and summarizing it as a percentage as well as using the mean, standard deviation, and multiple regression analysis.

2. Qualitative Research

The population was small hotel businesses in the EEC. The sample size was set



using the triangulation method, divided into 3 cases per province, for 3 provinces. The sample was set to be 9 entrepreneurs, executives, or relevant representatives, using multi-stage sampling. Step 1 was divided into 3 cases in Chachoengsao province, 3 cases in Chonburi province, and 3 in Rayong province. Step 2 used simple random sampling based on the lottery method. The research instruments were interview questions and guidelines for conducting an in-depth interview with entrepreneurs, executives, or representatives involved in the small hotel business to find ways

of management development in the small hotel business to help them become IDEs in the EEC. Data collection used field-trip interviews, based on question guides for conducting individual interviews at small hotels in Chachoengsao, Chonburi, and Rayong provinces. Data analysis applied the content analysis method.

Results

Step 1: Research results

General information on the samples is summarized in Table No. 1.

Table No. 1 General data and characteristics of respondents (n = 400)

General data and characteristics of respondents		Frequency	Percentage
Sex	Male	183	45.8
	Female	217	54.2
Age	21–30 years	77	19.2
	31–40 years	106	26.5
	41–50 years	100	25.0
Education level	Senior high school/ Vocational certificate	60	15.0
	Associate degree/ High vocational certificate	59	14.8
	Bachelor's degree	198	49.5
Marital status	Single	78	19.5
	Married/ Living together	259	64.8
	Divorced/Widowed/Separated	63	15.8
Occupation	Private employee	126	31.5
	Government employee/ State enterprise employee/ Public officer	76	19.0
	Self employed	99	24.8
Monthly income	10,001–20,000 baht	117	29.2
	20,001–30,000 baht	75	18.8
	More than 50,001 baht	82	20.5

According to Table No. 1, there were 217 females, accounting for 54.2 %. The age group 31 –40 years was the largest (106 people, accounting for 26.5 %). Regarding education level, the bachelor's degree group was the largest (198 people, accounting for 49.5 %). Classified by marital status, the married/living

together group was the largest (259 people, accounting for 64.8 %). Classified by occupation, the private employee group was the largest (126 people, accounting for 31.5 %). Classified by monthly income, the 10,001–20,000 baht group was the largest (117 people, accounting for 29.2 %).

Table No. 2 Tourist behavior staying in small hotel

Tourist behavior staying in small hotel		Sample	Percentage
The main reason for traveling	Visit relatives/friends	75	18.8
	Appreciate beauty of nature and landscape	126	31.5
	Relax/move to a new environment	119	29.8
Travel companion	Family	124	31.0
	One person	84	21.0
	Beloved person	149	37.2
Making a Hotel Reservation	Through website	251	62.8
	Through mobile phone	73	18.2
	Directly at hotel counter	76	19.0
Length of stay at small hotel	1 Night	209	52.2
Returning guests staying at small business hotel	2 Nights	191	47.8
	Not sure	13	3.2
	I might use the service again.	247	61.8
	I will definitely use the service again.	133	33.2

In Table No. 2, the main reason for traveling was to appreciate the beautiful nature and landscape (126 people in this group, accounting for 31.5 %). Regarding travel companions, the highest number of responses was for an accompanying beloved person (149 people, accounting for 37.2 %). Making a hotel reservation through website had the highest number of responses (251 people, accounting for 62.8 %). a stay of 1 night had the highest number of responses (209 people, accounting

for 52.2 %), while 247 people (61.8 %) said they might use the service again

**Table No. 3** Level of tourist perception of service quality of small hotels.

Perception of service quality	\bar{x}	S.D.	Level of perception	No.
Tangibility	4.22	0.565	Very high	1
Reliability	4.19	0.576	High	3
Responsiveness	4.19	0.581	High	3
Assurance	4.15	0.630	High	4
Empathy	4.20	0.578	High	2
Total	4.19	0.560	High	-

Table No. 3 shows that the overall level of tourist perceptions of the service quality of the small hotels was at a high level (average 4.19, S.D. 0.560). Considering each aspect, the highest level of tourist perception of the

service quality was for service tangibility (average 4.22, S.D. 0.565), followed by service empathy (average 4.20, S.D. = 0.578), while the lowest level of perception was for service assurance (average 4.15, S.D. = 0.630).

Table No. 4 Multiple regression analysis

Model summary					
R	R squared	Adjusted R squared		Std. Error of estimate	
.891a	0.794	0.791		0.276	
ANOVA					
Model	Sum of squares	df	Mean square	F	Sig.
Regression	115.864	5	23.173	303.876	0.000a
Residual	30.046	394	0.076		
Total	145.910	399			
Coefficients ^a					
Model	Unstandardized coefficients		Standardized coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.225	0.106		2.115	0.035
Tangibility	0.150	0.064	0.140	2.326	0.021
Reliability	0.247	0.113	0.235	2.179	0.030
Responsiveness	0.212	0.093	0.204	2.294	0.022
Assurance	0.114	0.048	0.118	2.342	0.020
Empathy	0.240	0.082	0.230	2.932	0.004

Table No. 4 shows that the R squared value was 0.794, indicating that 79.4 % of the impact of service quality perceptions on returning tourists staying in small hotels could be explained by the 5 variables: service tangibility, service reliability, service responsiveness, service assurance, and service empathy. Other variables were responsible for the remaining 20.6 %. The analysis of variance of the multiple regression analysis of the equation indicated it was significant at the 0.01 level. Thus, the independent variables of service tangibility, service reliability, service responsiveness, service assurance, and service empathy influenced the dependent variable, namely, returning tourists staying in small hotels.

Results of Hypothesis Testing

Hypothesis 1: Tangibility influenced returning tourists staying at small hotels at a significance level of 0.05. The standardized regression coefficient (beta) was 0.140. Thus, there was a 14 % positive influence on returning tourists staying at small hotels.

Hypothesis 2: Reliability influenced returning tourists staying at small hotels at a significance level of 0.05. The standardized regression coefficient (beta) was 0.235. Thus, there was a 23.5 % positive influence on returning tourists staying at small hotels.

Hypothesis 3: Responsiveness influenced returning tourists staying at small hotels at a significance level of 0.05. The standardized regression coefficients (beta) was 0.204. Thus, there was a 20.4 % positive influence on returning tourists staying at small hotels.

Hypothesis 4: Assurance influenced returning tourists staying at small hotels at a

significance level of 0.05. The standardized regression coefficients (beta) was 0.118. Thus, there was a 11.8 % positive influence on returning tourists staying at small hotels.

Hypothesis 5: Empathy influenced returning tourists staying at small hotels at a significance level of 0.01. The standardized regression coefficient (beta) was 0.230. Thus, there was a 23 % positive influence on returning tourists staying at small hotels.

Step 2: Research results

The guidelines for the development of small hotel business management toward becoming IDEs in the EEC were:

1. Tangibility

1.1 To promote customer perception of the hotel's location as convenient for traveling and easy to find, they should use virtual reality to help in management, which simulates the real environment so that users can experience the hotel environs without having to visit the real place.

1.2 To promote customer perception of contacting the hotel service, several methods are appropriate. They should adopt the technology of mobile phone and website booking to help in management. Reservations can be made more easily for guests. Hotels that use websites for online marketing will have a higher profit potential than hotels that use other methods to acquire customers.

1.3 To promote customer perception of beautiful, decorated areas and rooms in the hotel, they should adopt an innovative design concept to assist management in decorating the hotel with technology, such as using large display screens be installed in the hotel area.



This could improve decoration in the form of interactive wall art.

1.4 To promote customer perception in rooms with adequate facilities and equipment, they should adopt the Internet of Things (IoT) to assist management. This technology allows different devices to communicate with each other, so that various devices can operate automatically without human intervention.

2. Reliability

2.1 To promote customer perception of the hotel's reputation and good image as well as the hotel's publicity advertisements so they are the same as those advertised on the website or other media. They should use social media and websites to assist management. Social media use is a feature that hotels can take advantage of exclusively to attract more followers. This will facilitate communications with the hotel, so the hotel can contact customers quickly. A hotel website is a feature of hotel online marketing that provides the opportunity to reach a larger customer group than hotels using other channels.

2.2 To promote customer perception of hotel reservations via internet systems and also the hotel's payment system as being reliable, they should use online check-in/out, mobile booking, and mobile payment to assist management. Online check-in/out is a feature allowing customers to check-in/out via mobile phone which reduces the steps and time for check-in/out. Mobile booking via a mobile application makes it easier to book a room. Mobile payment transactions through the a mobile phone network allow customers to use their mobile phones to transfer money or pay

for hotel rooms.

2.3 To promote the customer's perception that every service provided by staff is properly implemented and on time, they should use online check-in/out and a property management system (PMS) to assist management. Online check-in/out is a feature to help customers check in/out via mobile phone. This feature can reduce the time for check-in/out. PMS is a computer program developed to help manage rooms by the front desk administration, including reservation, deposit, check in, revenue posting, billing, and check out.

3. Responsiveness

3.1 To promote customer perception of hotel's room reservation, they should use mobile booking and the website to assist management. Mobile booking allows customers to easily and comfortably book a room via their mobile phone, while the website is a feature of hotel online marketing that provides the opportunity to reach a larger customer group than hotels using other channels.

3.2 To promote customer perception of prompt, easy service for hotel check-in/out, they should use online check-in/out, mobile booking, mobile payment and PMS to assist management, as described above.

3.3 To promote customer perception of their being sufficient hotel staff ready to serve, staff need to be capable of replying to customer questions and providing prompt service based on customer needs. When customers have problems, the staff should be enthusiastic and able to solve them quickly using mobile guest services, robotics, and smart technology. Mobile phone guest service is

another form of service that allows customers in the hotel to order food, beverages, or purchase services provided by the hotel through their hotel application. Robotics is a feature involving robotics applications that perform with special abilities, having been pre-designed and programmed with various skills, languages, and data to provide a wonderful experience for guests though entertaining, make suggestions, and providing counter services. Smart technology emphasizes the analysis of data to find meaning. Analytics technology can provide intelligent outputs that help people work more efficiently by transforming transforms raw data into something usable and thus, making the hotel more functional.

4. Assurance

To promote customer perception of the employees' skills, knowledge, and ability to provide service in the right manner the first time to make customer feel safe and secure during their stay, employees must use effective communication, which is clear and concise, as well as instilling customer trust in the security of customer data in the PMS. Automation and the use of intelligent analysis technology should be introduced to assist management. PMS, described above can help front desk staff work more efficiently. Automation can eliminate or reduce repeated processes, reduce errors made by employees. And intelligent analysis technology can convert raw data into information to assist hotel employees in providing service.

5. Empathy

To promote customer perception of employees to have a detailed knowledge of

the different needs of customers and provide services as required, mobile guest services should be used to create personal special experiments as well as using smart technology to assist management. Mobile guest services are another form of service through a smart phone to order food, beverages, or purchase services provided by the hotel through the hotel application. For personalized experience systems, it can be used to gather information on customer impressions to help drive improvements. In other words, customers expect to receive personalized experiences from hotel employees, which is not only about remembering faces or names correctly, but also about the system providing warm welcoming words via screens. Analytics technology should be intelligent enough to help people work more efficiently and take basic information and present it to make the hotel more functional.

Discussion and Conclusion

The step 1 results showed that the development of small business hotels to become IDEs in the EEC, management must pay attention to all aspects of service quality, namely tangibility, reliability, responsiveness, assurance, and empathy. However, the general characteristics of a small business hotel are that it is operated by locals using local investment. This can mean low levels of investment and limits in terms of available capital for developing business operations. Therefore, in terms of management development, a small business hotel must carefully choose which factors to focus on regarding their capital needs and business potential. Factor selection



for investment development should consider the sequence of factors influencing returning tourists staying in small hotels, which can be ordered from greatest to least as follows:

1. Reliability (beta = 0.235)
2. Empathy (beta = 0.230)
3. Responsiveness (beta = 0.204)
4. Tangibility (beta = 0.140)
5. Assurance (beta = 0.118)

The step 1 results were consistent with the research of Chumanee and Tantong (2018) who developed a model regarding the effects on tourist loyalty of service quality of hotels located in Phuket, Krabi, and Phang-Nga provinces. Their findings showed that the model regarding the influence of hotel service quality had five dimensions, namely tangibility, reliability, assurance, and empathy that had a positive correlation with tourist loyalty. This finding was consistent with the research by Temrat and Boonpalit (2018) that studied the factors of service quality affecting returning guests staying at 5-star hotels in Bangkok. Their results indicated that 5 service quality factors, namely tangibility, reliability, responsiveness, assurance, and empathy, influenced returning guests staying at 5-star hotels in Bangkok. The current findings were also consistent with the research of Ofosu-Boateng and Acquaye (2020) examining the effects of service quality and customer satisfaction on customer loyalty in the hospitality industry of Ghana. Their results showed that service quality, consisting of tangibility, reliability, responsiveness, assurance, and empathy, had a significant, positive correlation with customer loyalty.

The step 2 research results provided

guidelines for the development of small business hotels to develop toward IDEs in the EEC as follows:

1. Development of service tangibility should adopt the technology of virtual reality, mobile booking, websites, innovative design concepts, and the Internet of Things (IoT) to assist management.

2. Development of service reliability should adopt the technology of social media, websites, online check-in/out, mobile booking, mobile payment, and a PMS (Property Management System) to assist management.

3. Development of service responsiveness should adopt the technology of mobile booking, mobile guest services, mobile payment, online check-in/out, websites, a PMS, robotics, and the use of intelligent analysis technology to assist management.

4. Development of service assurance should adopt the technology of PMS, automated systems, and the use of intelligent analysis technology to assist management.

5. Development of service empathy should adopt the technology of mobile guest services, personalized experience systems, and the use of intelligent analysis technology to assist management.

Joint analysis of the research results in steps 1 and 2 suggested that the most influential factor for returning tourists staying at a small hotel was reliability. The technology to meet customer perception consisted of social media, websites, online check-in/out, mobile booking, mobile payment, and a PMS, while the general characteristics of small business hotel management often involved limitations

in terms of capital for developing business operations. Consequently, to obtain best use of limited resources technology or innovation should be used to assist management in considering the worthiness of an investment.

Therefore, the researcher suggests that multi-functional technology or innovations, such as mobile booking and website technology, should be chosen to meet customers' needs regarding reliability, responsiveness, and tangibility. If entrepreneurs have sufficient potential and capital, they can choose other technologies or innovations from the results of this research that may be applicable to their specific business context.

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Recommendations

The results of this research detailed a management development approach for small business hotels to move toward becoming innovation driven enterprises in the Eastern Economic Corridor. Future research will increase understanding of this subject, for example, through a comparative study of the differences in cultures and social values in other countries. The results of this research should assist to expand the body of knowledge in future subjects.



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