



**An Investigation into the Consulting Needs of Small and Medium-Sized
(SM) Independent Hotels in Thailand**

Premchit Khurana

**A Thesis Submitted in Partial Fulfillment of the Requirements for the Degree of
Master of Business Administration in Hospitality and Tourism Management
(International Program)**

Prince of Songkla University

2010

Thesis Title An Investigation into the Consulting Needs of Small and Medium-Sized (SM)
Independent Hotels in Thailand
Author Miss Premchit Khurana
Major Program Hospitality and Tourism Management (International Program)

Major Advisor:

.....
(Dr. Ilian Assenov)

Examining Committee:

..... Chairperson
(Assoc. Prof. Manat Chaisawat)

.....Committee
(Dr. Tatiyaporn Jarumaneerat)

Co-advisor:

.....
(Dr. Kullada Phetvaroon)

..... Committee
(Dr. Ilian Assenov)

The Graduate School, Prince of Songkla University, has approved this thesis as partial fulfillment of the requirements for the Master of Business Administration Degree in Hospitality and Tourism Management (International Program)

.....
(Prof. Dr. Amornrat Phongdara)

Dean of Graduate School

ชื่อวิทยานิพนธ์ ความต้องการด้านที่ปรึกษาในโรงแรมอิสระขนาดเล็กและขนาดกลาง
ผู้เขียน นางสาว เปรมจิตร คุรานา
สาขาวิชา การจัดการการบริการ และ การท่องเที่ยว (หลักสูตรนานาชาติ)
ปีการศึกษา 2553

บทคัดย่อ

โรงแรมขนาดเล็กและขนาดกลางมีบทบาทสำคัญอย่างยิ่งในการสร้างงานและการพัฒนาเศรษฐกิจของประเทศต่างๆ ซึ่งรวมถึงประเทศไทย แต่อย่างไรก็ตามจากการทบทวนวรรณกรรมพบว่าธุรกิจโรงแรมและท่องเที่ยวขนาดกลางและขนาดย่อมมีข้อจำกัดในด้านการรักษาความสามารถในการแข่งขันและความยั่งยืนมากกว่าองค์กรขนาดใหญ่ จึงมีความจำเป็นที่บริษัทที่ปรึกษาต้องเข้ามามีบทบาทสำคัญในการบริการและให้ความช่วยเหลือเพิ่มเติม นอกเหนือจากความช่วยเหลือเบื้องต้นของฝ่ายหน่วยงานราชการ งานวิจัยครั้งนี้จึงสนใจศึกษาเกี่ยวกับโรงแรมอิสระขนาดเล็กและขนาดกลาง โดยมีวัตถุประสงค์ 1) เพื่อแยกแยะประเด็นความท้าทายในธุรกิจ 2) เพื่อศึกษาเกี่ยวกับประสบการณ์ของการเคยใช้บริการที่ปรึกษารวมถึงความต้องการบริการที่ปรึกษา และ 3) เพื่อค้นหาแนวทางในการให้คำแนะนำเพื่อเอาชนะความท้าทายต่างๆ โดยผ่านกระบวนการให้คำปรึกษาและการฝึกอบรมที่เหมาะสม ทั้งนี้ได้ใช้การผสมผสานทั้งวิธีการวิจัยเชิงปริมาณและเชิงคุณภาพ

ในด้านการวิจัยเชิงปริมาณ ผู้วิจัยได้สุ่มตัวอย่างจากโรงแรมอิสระขนาดเล็กและขนาดกลางทั้งในเขตกรุงเทพมหานครและภูเก็ต โดยใช้แบบสอบถามผ่านทางไปรษณีย์ ซึ่งผู้จัดการทั่วไป/เจ้าของ เป็นผู้ตอบแบบสอบถาม และส่งกลับมาในซองพร้อมตราไปรษณียากรที่แนบไป นอกจากนี้เพื่อความสมบูรณ์ของการวิจัยจึงเพิ่มวิธีเชิงคุณภาพ โดยการสัมภาษณ์ผู้จัดการทั่วไป/เจ้าของโรงแรมจำนวน 10 แห่ง และสัมภาษณ์เจ้าหน้าที่ในหน่วยงานที่เกี่ยวข้อง จำนวน 4 แห่ง คือ ธนาคารเพื่อธุรกิจขนาดกลางและขนาดย่อม สำนักงานวิสาหกิจขนาดกลางและขนาดย่อม (สสว.) สมาคมโรงแรมไทยและกรรมการผู้จัดการของบริษัทที่ปรึกษาแห่งหนึ่งในภูเก็ต จากนั้นได้ทำการวิเคราะห์ข้อมูลเชิงปริมาณ โดยใช้เครื่องมือทางสถิติและในวิธีวิเคราะห์เนื้อหาสำหรับข้อมูลเชิงคุณภาพ

ผลการวิจัยโดยวิธีเชิงปริมาณพบว่า ‘ความไม่แน่นอนทางเศรษฐกิจ’ คือปัจจัยที่เป็นความท้าทายสูงสุดของธุรกิจ ตามด้วยปัจจัยทางด้าน ‘การจัดการด้านการตลาด’ ‘การวางแผนกลยุทธ์’ ‘การวางแผนการจัดการวิกฤตการณ์’ ‘การจัดการทรัพยากรมนุษย์’ ‘การนำเทคโนโลยีมาประยุกต์ใช้’ ‘การจัดการด้านการดำเนินงาน’ ‘ความรับผิดชอบต่อสังคม’ ‘การเงิน’ และ ‘การ

จัดการด้านกฎหมาย’ ตามลำดับ ส่วนผลจากการสัมภาษณ์ผู้บริหารพบว่า ปัจจัยทางด้าน ‘การจัดการทรัพยากรมนุษย์’ ‘การจัดการด้านการตลาด’ ‘ความไม่มีเสถียรภาพทางการเมือง’ ‘ความไม่แน่นอนทางเศรษฐกิจ’ และ ‘การบริหารเงินสด’ เป็นความท้าทายหลักของธุรกิจ

สำหรับการศึกษาทางด้านประสบการณ์การใช้บริการที่ปรึกษา พบว่า ร้อยละ 50 ของผู้ตอบแบบสอบถามเคยใช้บริการด้านที่ปรึกษามาก่อน โดยห้าอันดับแรกคือด้านการตลาด ด้านบัญชี ด้านกฎหมาย ด้านการจัดการทรัพยากรมนุษย์และด้านการดำเนินงาน ส่วนผลการศึกษาเชิงคุณภาพพบว่า ครึ่งหนึ่งเคยใช้ที่ปรึกษาด้านการตลาดอิเล็กทรอนิกส์ การจัดการทรัพยากรมนุษย์ การบริหารความเสี่ยง การควบคุมค่าใช้จ่าย การลดการใช้พลังงานและค่าปรึกษาทางการเงินจากสำนักงานวิสาหกิจขนาดกลางและขนาดย่อม (สสว.) ธนาคารเพื่อธุรกิจขนาดกลางและขนาดย่อม และจากบริการของมหาวิทยาลัยที่ให้คำปรึกษาฟรี

ในด้านความความต้องการบริการที่ปรึกษา จากผลการศึกษาโดยวิธีเชิงปริมาณพบว่า ร้อยละ 83.80 มีความต้องการที่จะใช้บริการของที่ปรึกษาในอนาคต โดยห้าอันดับแรกที่เป็นความต้องการสูงคือ ด้านการจัดการการตลาด ด้านการจัดการทรัพยากรมนุษย์ ด้านการดำเนินงาน ด้านเทคโนโลยี และด้านการบัญชี อย่างไรก็ตามจากผลการสัมภาษณ์ซึ่งเป็นที่น่าสนใจอย่างยิ่งคือ พบว่ามากกว่าครึ่งหนึ่งของผู้จัดการทั่วไปที่เข้าร่วมการวิจัย กล่าวว่า ระดับความต้องการด้านบริการที่ปรึกษาอาจจะน้อยลงมาก เพราะเจ้าของกิจการส่วนใหญ่ได้ว่าจ้างพวกเขาซึ่งมีประสบการณ์ในเชิงธุรกิจอยู่แล้ว ส่วนผู้รับการสัมภาษณ์ที่จะใช้บริการที่ปรึกษา ส่วนใหญ่เห็นว่าที่ปรึกษาส่วนที่จำเป็นมากที่สุดคือการบริการฝึกอบรม และจำนวนครึ่งหนึ่งเห็นว่า อาจจะจำเป็นต้องใช้บริการที่ปรึกษาด้านการตลาดอิเล็กทรอนิกส์ นอกจากนี้ สสว.และเจ้าหน้าที่จากธนาคารเพื่อธุรกิจขนาดกลางและขนาดย่อมได้เสนอเพิ่มเติมว่า โรงแรมขนาดกลางและขนาดย่อม อาจจำเป็นต้องใช้บริการที่ปรึกษาในด้าน การเขียนแผนธุรกิจ การประเมินมูลค่าทรัพย์สินและการวางแผนการควบคุมค่าใช้จ่าย เพื่อช่วยลดค่าใช้จ่ายขององค์กร

นอกจากนี้ ในการช่วยเหลือ โรงแรมอิสระขนาดเล็กและขนาดกลางเพื่อเอาชนะความท้าทายด้านต่างๆ นั้น สสว. หรือหน่วยงานภาครัฐ ควรเพิ่มบริการที่ปรึกษาให้กับโรงแรมขนาดเล็กและขนาดกลางแบบให้เปล่า มีฐานข้อมูลราคาเฉลี่ยห้องพักของ โรงแรม รวมทั้งข้อมูลเกี่ยวกับหน่วยงานที่ปรึกษา ส่วนโรงแรมขนาดเล็กและขนาดกลางนั้น ควรพัฒนาให้เกิดความร่วมมือในกลุ่มโรงแรมขนาดเล็กและขนาดกลางซึ่งกันและกัน โดยมีการแลกเปลี่ยนข้อมูลด้านราคาห้องพักเฉลี่ย อัตราการเข้าพัก และ ข้อมูลอื่น ๆ ที่เกี่ยวข้องทุกโรงแรมควรที่จะพัฒนาในด้าน ฐานข้อมูลลูกค้า กลยุทธ์ออนไลน์แบบครบวงจร การขายห้องพักผ่านทางเว็บไซต์ของตนเอง และ เข้าใจบทบาทของ

คนในฐานะลูกค้าในขณะที่รับคำปรึกษา ส่วนหน่วยงานที่ปรึกษาควรที่จะกระชับความสัมพันธ์กับเจ้าของกิจการหรือผู้จัดการ เป็นมิตรกับลูกค้าโดยยึดหลักลูกค้าเป็นศูนย์กลาง ช่วยเหลือในขั้นตอนการดำเนินงานให้บรรลุเป้าหมาย ดำเนินการวิจัยการตลาดเกี่ยวกับความต้องการด้านที่ปรึกษาของโรงแรมขนาดกลางและขนาดย่อม วางแผนด้านการปรึกษาให้สอดคล้องกับลักษณะของโรงแรมขนาดกลางและขนาดย่อม แสดงให้โรงแรมเห็นความสำคัญของการใช้บริการที่ปรึกษา และสร้างสมประสบการณ์ที่หลากหลายด้านการจัดการซึ่งสามารถนำมาประยุกต์ใช้กับธุรกิจขนาดกลางและขนาดย่อมได้

การวิจัยนี้ได้จัดทำขึ้นเพื่อเป็นการเติมเต็มช่องว่างของวรรณกรรมในด้านความท้าทายของโรงแรมอิสระขนาดเล็กและขนาดกลางในประเทศไทย รวมทั้งประสบการณ์ด้านที่ปรึกษา และความต้องการด้านที่ปรึกษา โดยงานวิจัยนี้เป็นงานวิจัยชิ้นแรกที่ทำการศึกษาเกี่ยวกับประสบการณ์ด้านที่ปรึกษา ด้านความต้องการบริการที่ปรึกษาของโรงแรม การแสดงให้เห็นถึงความท้าทายด้านต่างๆ ที่โรงแรมต้องเผชิญ เพื่อช่วยให้องค์กรภาครัฐ และ บริษัทที่ปรึกษาได้พัฒนาแผนงานขึ้นเพื่อสนับสนุนโรงแรมเหล่านี้

คำสำคัญ: ที่ปรึกษาด้านโรงแรม ธุรกิจขนาดกลางและขนาดย่อมในด้านโรงแรมและการท่องเที่ยว โรงแรมอิสระขนาดกลางและขนาดย่อม ประเทศไทย ภูเก็ต กรุงเทพฯ

Thesis Title An Investigation into the Consulting Needs of Small and Medium-Sized (SM) Independent Hotels in Thailand

Author Miss Premchit Khurana

Major Program Hospitality and Tourism Management (International Program)

Academic Year 2010

ABSTRACT

Small and medium (SM) sized hotels have played a vital role in job creation and the economic development of various countries including Thailand. However, it is observed from the literature that small and medium enterprises (SMEs) in hospitality and tourism have some limitations that make them face more challenges in maintaining competitiveness and sustainability than large enterprises. Besides government assistance, it can be argued that consulting services can help SMEs overcome some of these challenges. This thesis aims to identify the challenges facing small and medium-sized independent hotels in Thailand and to investigate their consulting experiences and consulting needs. It also attempts to provide recommendations for assisting SM independent hotels in overcoming their challenges through more appropriate consulting, training and practices. In achieving this goal, a mixed-method approach of quantitative and qualitative was adopted.

Via quantitative method, SM independent hotels in Bangkok and Phuket were selected for this study. General managers/owners were requested to complete and return the questionnaire in a pre-paid envelope. Ten semi-structured in-depth interviews were conducted for the qualitative method with general managers of these hotels. In addition, four semi-structured interviews were conducted with officials from a SMEs Bank, the Office of Small and Medium Enterprises Promotion (OSMEP), the Thai Hotel Association (THA) and the managing director of C9 Hotelworks, the hospitality consulting company in Phuket. The data were then analyzed using statistical tools for the quantitative data and content analysis for the qualitative data.

The quantitative results showed that ‘economic uncertainty’ was highly challenging for the respondents. Following this, ‘sales and marketing management’, ‘strategic planning’, ‘crisis management planning’, ‘human resource management’, ‘ICT adoption’, ‘operations management’, ‘corporate social responsibility’, ‘financial issues’ and ‘legal matters’ were

challenging respectively, at intermediate level. Interview results revealed ‘human resource management’, ‘sales and marketing management’, ‘political instability’, ‘economic uncertainty’ and ‘managing cash flows’ as the main challenges for general managers.

Regarding the consulting experience, 50% of the respondents have taken consulting services before. The top five areas in consulting services they have used are in sales and marketing management, accounting, legal matters, human resource management and operations management. Qualitative results revealed that half of the respondents have taken consulting in e-marketing, human resource management, risk management, cost control, reducing the use of energy and financial consulting from OSMEP, SMEs banks and universities, which most of the time is free consulting.

Regarding the need for consulting services, quantitative results revealed that 83.80% would consider using some kind of consulting services in the future. The top five consulting services that they would consider using are in the areas of sales and marketing management, human resource management, operations management, IT and accounting. However, in the interviews, interestingly more than half of general managers stated that as owners have already hired them and they do have extensive experience so their need for consulting might be low. Of those who would consider using consulting, the majority stated the need for training services and half might want to have e-marketing consulting; respondents from OSMEP, SMEs unit, THA and the consultant agreed on the need for this type of consulting. OSMEP and SME unit respondents’ added that SM hotels might need consulting in writing business proposals, due diligence and cost control planning to help them reduce costs.

To assist SM independent hotels in overcoming their challenges, OSMEP or government agencies should provide subsidized consulting, easily available information on average room rates, as well as information on the selection of consultants. SM independent hotels should also be active in co-operating with other SM hotels in sharing information on the average room’s rates, occupancy rates and other related information. They are recommended to create loyalty programs, develop comprehensive online strategy, sell their rooms through their websites and understand their role as clients while undertake consulting. Consultants need to develop more personal relationship with owners/managers, become more user-friendly and client-centered, help in the

implementation phase, conduct market research for SM independent hotels' needs, tailor-make their plans for SM independent hotels, show clearly the value of taking consulting service and lastly have a considerable experience in SMEs management.

This research has contributed to fill in the gaps of literature in the areas of challenges facing SM independent hotels in Thailand as well as their consulting experiences and needs. It is the first study that has researched the consulting experiences and potential demand for consulting in these hotels. This study has also identified the challenges faced by these hotels which in turn will help government organizations and consulting companies to tailor-make their consulting plans to support these hotels.

Keywords: Hospitality consulting, SMEs in hospitality and tourism, small and medium-sized independent hotels, small and medium enterprises, Thailand, Phuket, Bangkok.

ACKNOWLEDGEMENTS

The thesis “An Investigation into the Consulting Needs of Small and Medium-Sized (SM) Independent Hotels in Thailand” was completed with the support and encouragement of many people. First of all, I would like to express my profound and sincerest appreciation to my advisor Dr. Ilian Assenov for his great contributions, invaluable advice, continuous encouragement, special kindness and patience throughout my whole studies.

I am also sincerely grateful to Dr. Naree Weerakit, Dr. Tatiyaporn Jarumaneerat, Assoc. Prof. Manat Chaisawat, Dr. Kullada Phetvaroon and Dr. Prateep Wetprasit for their excellent suggestions during the thesis development, thesis presentation as well as thesis defense.

As this thesis was also the part of the consulting project initiated by Aj. David Weale and Dr. Ilian Assenov, taking this opportunity, I would like to express my appreciation for their kind assistance as well as the financial support I got for conducting the research. Thanks to Ms. Wanthida Kamlai as well, for her help as MBA coordinator.

I would also like to extend my sincere gratitude to all the interviewed general managers, Khun Voradech Maneesri, Khun Thiabchit Janthonphutikarn, Mr. Bill Barnett, Mr. Michael Cowan and Khun Phatcharapa Supavitayapinun who spared their precious time for me to interview them as well as to all the respondents who shared their valuable time to answer my questionnaire and provide information that was useful for this research.

My special thanks are also due to my MBA friends: Farish, Phone, Andrea, P’Note, May, and all others whose names are not listed here, for their assistance. I would also like to thank Deskit for her assistance in helping me accessing the journals. Also, thanks to all of my OPC friends at work for their flexibility.

Last but not the least: I am extremely grateful to my mom and dad, my sisters Naina and Priya, and my brother Dev for their continuous encouragement and fullest support during my MBA course. Lastly, I owe my very special thanks to my fiancé Jaybir, who assisted me from the very beginning of the thesis development, for his continuous encouragement.

Premchit Khurana

CONTENTS

	Page
หน้าอนุมัติ	ii
บทคัดย่อภาษาไทย	iii
Abstract	vi
Acknowledgements	ix
Contents	x
List of Tables	xiv
List of Abbreviations and Symbols	xvi
Chapter	
1 INTRODUCTION	1
1.1 Statement of the Problem	1
1.2 Related Literature	3
1.2.1 SMEs: Definition and Concept	3
1.2.2 SMEs in Tourism and Hospitality Industry	5
1.2.2.1 Special Characteristics of Tourism and Hospitality SMEs	7
1.2.2.2 Weaknesses and Challenges of Tourism and Hospitality SMEs	9
1.2.3 SMEs in Thailand	22
1.2.3.1 Problem Analysis of Thailand's SMEs	23
1.2.4 Consulting Concepts	25
1.2.5 Consulting Companies and Services	26
1.2.6 Consulting in SMEs	38
1.2.6.1 Consulting Needs in SMEs	39
1.2.6.2 Role of Consultants in SMEs	40
1.2.6.3 Criteria for Selection of Consultants/Consulting Companies	41
1.2.6.4 Reluctance of SMEs to Use Consultants	42
1.3 Aim and Objectives of this Study	43
1.4 Significance of the Study	43
1.5 Scope of the Study	43

CONTENTS (Continue)

	Page
1.5.1 Scope of Area	43
1.5.2 Scope of Time	44
1.6 Definition of Key Terms	44
1.7 Research Flow Chart	45
2 METHODOLOGY	46
2.1 Target Population, Sampling Group and Sampling Method	46
2.1.1 Target Population	46
2.1.2 Sampling Group	47
2.1.3 Sampling Method	47
2.2 Type Of Research	48
2.2.1 Quantitative	48
2.2.2 Qualitative	49
2.3 Research Instruments	49
2.3.1 Questionnaire	49
2.3.2 Semi-Structured Interviews	49
2.4 Data Collection	51
2.4.1 Primary Data	51
2.4.2 Secondary Data	51
2.5 Data Analysis	51
2.6 Pretest of The Survey Instrument	52
3 Results	53
3.1 Quantitative Results	53
3.1.1 Hotel Characteristics	53
3.1.2 Challenges Faced by SM Independent Hotels	55
3.1.3 Consulting Experiences	67
3.1.4 Need for Consulting Services	76
3.1.5 Criteria for Choosing Consulting Company	85

CONTENTS (Continue)

	Page
3.1.6 Reasons for Reluctance to Use Consulting Services	86
3.2 Qualitative Results	86
3.2.1 Comments on the Challenges Faced by SM Independent Hotels from the Open-Ended Questions	86
3.2.2 Consulting Experiences from Open-Ended Questions	88
3.2.3 Areas in Which Consulting is Needed from Open-Ended Questions	89
3.2.4 Extra Suggestions on the Need for Consulting	89
3.2.5 In-Depth Interview Results	90
3. 2.5.1 In-Depth Interview Results with General Managers of SM Independent Hotels	90
3.2.5.2 Interview Results with Hospitality Consultant	97
3.2.5.3 Interview Results with the Office Of Small and Medium Enterprises Promotion (OSMEP)	100
3.2.5.4 Interview Results with SMEs Unit at Kasikorn Bank	103
3.2.5.5 Interview Results with THA (Thai Hotel Association)	106
4 Summary	108
4.1 Summary of Main Findings	109
4.1.1 Characteristics of SM Independent Hotels	109
4.1.2 Challenges Faced by SM Independent Hotels	109
4.1.3 Consulting Experience and Needs	114
4.2 Discussion	117
4.2.1 Objective 1: Challenges Facing SM Independent Hotels in Thailand	117
4.2.2 Objective 2: Consulting Experiences and Consulting Needs in SM Independent Hotels	126
4.3 Recommendation for Assisting SM Independent Hotels in Overcoming their Challenges through More Appropriate Consulting, Training and Practices	129
4.4 Limitations, Suggestions for Future Research and Contribution of this Study	132

CONTENTS (Continue)

	Page
4.4.1 Limitations of the Study	132
4.4.2 Suggestions for Future Research	133
4.4.3 Contribution of the Study	133
Bibliography	134
Appendices	
Appendix: A Questionnaire “An Investigation into the Consulting Needs of Small and Medium-Sized Independent Hotels in Thailand”	149
Appendix : B Interview Questions for General Managers/Owners of Small and Medium-Sized Independent Hotels	154
Appendix: C Interview Questions for Hospitality Consultant	155
Appendix: D Interview Questions for OSMEP	156
Appendix: E Interview Questions for SMEs unit in Bank	157
Appendix: F Interview Questions for THA	158
Appendix: G Interview Transcript	159
Vitae	161

LIST OF TABLES

Table	Page
3.1 Hotel characteristics	54
3.2 Challenges faced SM independent hotels	57
3.3 Independent sample T-test for differences in the level of challenges between provinces	59
3.4 One-Way ANOVA tests for differences in level of challenges between hotels with different room number	61
3.5 One-Way ANOVA tests for differences in level of challenges between hotels with different staff number	63
3.6 One-Way ANOVA tests for differences in level of challenges between hotels with different star levels	65
3.7 Percentage of hotels who have used consulting services	67
3.8 Experience with using consulting services	67
3.9 Percentage of respondents who have used consulting services by hotel room number	69
3.10 Percentages of respondents who have used consulting services by province	71
3.11 Percentages of respondents who have used consulting services by hotel star level	73
3.12 Percentages of respondents who have used consulting services by hotel staff number	75
3.13 Percentage of respondents who would consider using consulting services	76
3.14 Hotels which would consider using consulting services by province	76
3.15 Percentage of respondents who would use consulting services by consulting types	77
3.16 Percentage of respondents who would use consulting services by hotel room number	79
3.17 Percentage of respondents who will use consulting services by province	80
3.18 Percentages of respondents who will use consulting services by hotel star level	82
3.19 Percentages of respondents who will use consulting services by hotel staff number	84
3.20 Criteria considered in choosing consulting companies/consultants	85

LIST OF TABLES (Continue)

Table		Page
3.21	Reasons for reluctance to use hospitality consulting services/consultants	86
3.22	Profile of SM independent hotels where interviews were conducted	90

LIST OF ABBREVIATIONS AND SYMBOLS

Symbol

GDP	Gross Domestic Product
ISHC	International Society of Hospitality Consultants
OSMEP	Office of Small and Medium Enterprises Promotion
OTD	Office of Tourism Development
SM	Small and Medium-Sized
SMEs	Small and Medium Enterprises
SMHEs	Small and Medium-Sized Hotel Enterprises
SMTEs	Small and Medium-Sized Tourism Enterprises
SPSS	Statistical Package for Social Sciences
TAT	Tourism Authority of Thailand
THA	Thai Hotel Association

CHAPTER 1

INTRODUCTION

1.1 Statement of the Problem

Thailand is a popular travel destination which attracted 14,584,220 international tourists in 2008 (OTD, 2009). Tourism has played a significant role in the economic development of the country contributing to 6.5% of the country's GDP and is vital to the economy of many tourism provinces such as Phuket, Samui, Chiang Mai and Bangkok.

Hotel and restaurant businesses have also played a significant role in Thai tourism industry. The statistics of the Office of SME Promotion (OSMEP) showed that in 2007 the hotel and restaurant sector contributed to 18.7%, or Baht 416,550 million, of the total GDP in the service sector which was Baht 2,224,957 million (OSMEP, 2007). The biggest contribution within the hotel and restaurant sector was from SMEs, equivalent to 93.0% or Baht 387,241.7 million; the large enterprises constituted only 7% or Baht 29,308.3 million. In 2007 SME enterprises in the hotel and restaurant sector also employed 646,944 employees - around 83.5% of the total workforce in hotel and restaurant industry (OSMEP, 2007).

However, according to a report on emerging trends by Hospitality Sales and Market Association International (HSMAI) Asia Pacific and Cornell Nanyang Institute of Hospitality Management in 2008, the travel and hospitality landscape is changing drastically as the result of major power shifts in global economies, the emergence of highly dynamic technologies and the growing expectations of stakeholders. In an increasing globalized world, hospitality enterprises will have to communicate quickly to the market needs, operate effectively and efficiently, and offer differentiated and superior benefits to customers in order to gain competitive advantage. However, it is observed from the literature that small and medium enterprises in hospitality and tourism have some limitations that make them face more challenges to be competitive and sustainable than large enterprises. The Department of National Heritage (1996) also stated that small firms are more vulnerable than larger firms to market pressures and subject to higher failure rates (Klatt, 1973, and Cochran, 1981). This statement is further supported by the statistics of the

Office for SMEs Promotion Thailand, which demonstrated the number of SMEs business dissolutions in 2005 to be 26,041 cases (OSMEP, 2007).

The limitations of SMEs are listed below:

I. Many tourism and hospitality SMEs do not adopt an integrated approach to business planning and are generally poor in e-marketing and e-commerce technologies (Jones and Haven, 2005). Many small businesses in tourism and hospitality do not develop any business plan against which to monitor business performance, except when applying for a bank loan.

II. Most tourism and hospitality SMEs lack in-depth knowledge and skills that are required for the proper identification and the measurement of existing demand. Marketing strategies of SMEs are based on perception rather than the actual supply and demand curves (Matley, 2004).

III. SMEs operate in a very distinct manner due to the lack of specialist managers to look after their various activities (Dewhurst and Burns, 1993). The financial constraints in SMEs also result in the lack of management skills and insufficient training.

IV. SMEs in Tourism and Hospitality in most cases have an informal structure of management with greater involvement by family, structural weaknesses emerging from lack of expertise, training deficiencies (Ateljevic and Page, 2009), limited resources and lack of competitive benchmarking (Hwang and Lockwood, 2006).

Thailand's SMEs Promotion Plan, 2002-2006 also revealed that Thai SMEs were not fully competitive, their management structure was weak, they still lacked marketing capabilities, they had low-quality labor and technologies used by them are not up to date, their accounting systems were not standardized, they lacked consumer and environmental accountability as well as the cooperation and network building among themselves in conducting business operations (OSMEP, 2009).

The tourism and hospitality SMEs in Thailand further suffered from natural disasters such as Tsunami in 2004, military coup in 2006, political demonstrations which led to the closure of Suvarnabhumi International Airport in November 2008, the postponement of the ASEAN summit in Pattaya in 2009, and riots in Bangkok in 2010. In addition, SMEs in hospitality and tourism have also suffered from global issues such as the outbreak of H1N1 flu in 2009 and the

world economic and financial crisis. This adds to the woes of the hospitality and tourism industry, and especially those of SMEs.

Considering the risks that SMEs are prone to because of its nature and crisis impact, there have been many challenges faced by SMEs. Besides the government assistance, it can be argued that consulting services can help SMEs overcome some of these challenges through services such as strategic business planning, marketing analysis, human resource planning, ICT consulting and quality assurance. This is also supported by Frank (1985) who stated that management consulting can be considered as a tool for overcoming some of the problems results from deficiencies in management capacity. Similarly, Luciani (1999) also stated that consulting services must be developed for SMEs in order to obtain a good result in information system and Kubr (2002) cited that managers of small enterprises who want to remain competitive need to consider using consultants. To the knowledge of this researcher, there has been no previous study to investigate the critical consulting needs of hospitality enterprises in Thailand with specific focus on small and medium-sized independent hotels. This research identifies the specific challenges facing small and medium-sized independent hotels and investigates their consulting experiences and consulting needs.

1.2 Related Literature

1.2.1 SMEs: Definition and Concept

SMEs appear to have been defined differently by all different parties according to their understanding of SMEs, as every country, union, associations, authors and scholars have given different definitions of SMEs. Both qualitative and quantitative classifications are being used worldwide (Buhalis, 1996).

The EU Commission has defined SME as an entity that engages in economic activity irrespective of juridical its legal form. Secondly, it has divided SMEs into three types of firms: micro firms which has less than 10 employees and annual turnover or annual balance sheet of not more than 2 million euro, small firms which has less than 50 employees and annual turnover or annual balance sheet of not more than 10 million euro and medium sized enterprise which has less than 250 employees with annual turnover of not more than 50 million euro or

annual balance sheet total of not more than 43 million euro. However, The World Bank (2006) has defined SMEs differently: micro firm with less than 10 employees and annual turnover of up to USD 100,000, small enterprise with less than 50 employees and annual turnover of up to USD 3 million and medium enterprise which has at most 300 employees and annual turnover not exceeding USD 15 million (Ahmed, 2009).

In the UK, sections 382 and 465 of the Companies Act 2006, defines SME for the purpose of accounting requirements. According to UK law a small enterprise has turnover of not more than Pounds 5.6 million, balance sheet of not more than Pounds 2.8 million and less than 50 employees, medium sized company with turnover of not more than Pounds 22.8 million, balance sheet total of not more than Pounds 11.4 million and has less than 250 employees (Ahmed, 2009).

Industry of Canada has defined a small manufacturing business as the one that has fewer than 100 employees and less than 50 employees in service-based business. A firm that has more employees than these cut-offs but fewer than 500 employees is classified as a medium-sized business (Ahmed, 2009).

The Office of Small and Medium Enterprises Promotion (OSMEP) of Thailand has defined small service enterprise as those with less than 50 employees and asset value of not more than 50 million Baht. It has defined medium service enterprises as those with 50-200 employees and asset value of 50- 200 million Baht (OSMEP, 2003).

Poon (1989) and Buhalis (1993) stated that to define small and medium tourism and hospitality enterprises, a wide range of qualitative criteria can also be used such as the organizational structure, participation in hotel consortia or chains, turnover, financial strength, responsibility distribution in decision-making, operational procedures, recruitment and training practices, decision making processes, entrepreneurial involvement and control, integration level, family domination in running the property, internalization of operation, the marketing functions and managerial experience. When hotels are classified, the number of beds criterion can be applied. Most authors seem to agree that accommodation establishments with less than 50 rooms are classified as small (Moutinho, 1990). Moutinho (1990) also adds the requirement for small hotels to employ less than 10 employees. Hallberg (2002) stated that SMEs are usually measured by employment size. He defined small companies in tourism with 5-10 employees in both

developed and developing countries. Medium sized tourism enterprises are defined in developed countries with 50-100 employees and in developing countries with 100-250 employees.

Different researchers have adopted different definitions of SMEs in hospitality sector in their studies. Cerovic, Galicic and Ivanovic (2005), cited in Milohnic and Cerovic (2007) in a study of Benchmarking and Quality of small hotels in Croatia classifies hotel accommodation into three categories: small hotels with 5-50 rooms, medium-sized hotels with 51 to 200 rooms and large hotels with more than 200 rooms, while Ingram, Jamieson, Lynch and Bent (2000) define a small hotel as having up to 50 rooms, a medium-sized hotel as having 51-100 rooms and large hotel as having more than 100 rooms. Buhalis and Kaldis (2008), in a study of internet distribution for small and medium sized hotels in Athens, define small and medium-sized hotels as having less than 250 members of staff and not the member of international chain. In a study of service quality in Scottish hotels, Briggs, Sutherland and Drummond (2006) have classified hotels with less than 20 rooms as small, 21-80 rooms as medium and more than 81 rooms as large.

Due to the difficulty in establishing the asset value of the hotels as well the number of employees employed based upon the definition of OSMEP in Thailand, this study has identified small and medium-sized independent hotels by the number of rooms based upon the definition of Cerovic, Galicic and Ivanovic (2005) which have categorized small and medium-sized hotels from 5-200 rooms. The study has also added qualitative criterion (suggested by Poon, 1989 and Buhalis, 1993) that the hotels should be independent which means they are not chain affiliated hotels. Therefore this study concentrates on small and medium-sized independent hotels (which are not chain affiliated hotels) from 5 – 200 rooms.

1.2.2 SMEs in Tourism and Hospitality Industry

Small and medium-sized tourism enterprises (SMTEs) are dominated in tourism destinations and play a dominant role in the tourism industry worldwide (Getz et al., 2004; Morrison et al., 1999; Morrison and Thomas, 1999; Morrison, 1998). SMTEs provide an amalgam of products and services such as accommodation, catering, transportation, attractions and activities (Buhalis, 1996).

In hospitality industry, SMEs are prevalent as the vast majority of accommodation establishments are small and medium-sized (Main, 2002). More than 90% of the accommodation establishments worldwide are small, independent, flexible, seasonal and family managed (Sheldon, 1993). This is evident in many European countries. In Switzerland more than 90% of the local hotels have less than 50 rooms or less and only 2% have more than 100 rooms, only 19% of employment in French Tourism industry is generated by firms with more than 100 employees (Buhalis, 1996). In the UK, the average hotel has 25 rooms while 70% of the Scottish Wales Isles have less than five letting bedrooms (Buhalis, 1996). In the USA, 90% of all hotels have a capacity of less than 149 rooms (Cooper and Buhalis, 1993; EC, 1993).

SMTEs have great significance to the world's tourism industry and economy in providing employment, income and diversification both locally and nationally (Avcikurt, 2003). For example in Europe, small and medium-sized hospitality enterprises employ about 83% of all hospitality workers (Buhalis and Peters, 2006). SMTEs also originate a variety of benefits for the destinations by enabling tourists to have direct contact with the local character and host population, facilitating the rapid infusion of tourist spending into the host community and stimulating multiplier effects (Buhalis, 1996 and Main, 2002). They are also responsible for considerable proportion of economic production as well as providing employment to a large percentage of the local population especially in peripheral and insular regions (Buhalis and Peters, 2006). They also contribute to the range, authenticity and quality of tourism experience while delivering a unique lodging experience (Buhalis, 1996; Cooper and Buhalis, 1993).

Buhalis and Peters (2006) and Main (2002) have outlined the strategic advantages of tourism and hospitality SMEs as follows:

☒ As entrepreneurs/owners are self-motivated to survive, they face superior incentive towards hard work.

☒ They have market niche advantage as large firms often ignore market niches, thus offering growth and chances for small businesses. Small businesses can recognize customers' wishes and produce tailor made products towards specific segments through customization.

☒ They have a personal relationship with customers, suppliers, distributors and employees because of their small size. This can be the source of their competitive advantage.

☒ Family involvement in the management of enterprises ensures commitment and trust. It also ensures that human resources are used flexibly to meet the changing demands.

☒ Tourism and hospitality SMEs are flexible to respond to customer needs and the changes to external environment. They generally have a flat hierarchy, and as a result they can adapt and react quickly to market changes.

1.2.2.1 Special Characteristics of Tourism and Hospitality SMEs

Tourism and hospitality SMEs, as observed from the literature possess some special characteristics. Jones and Haven-Tang (2005) have specified these as follows:

I. SMEs Generate More Interesting Employment Opportunities:

SMEs have the ability to create new jobs at a time when major corporations are downsizing, to improve industrial relations, to create diversified and flexible industrial base, to stimulate competition and innovations and to generate energetic enterprising cultures (Armstrong and Taylor, 1993). EU has assigned an important role to Tourism SMEs as an aid to regional convergence. Stredwick (2002) reported that indeed people enjoy working for smaller organizations as they offer more challenges, decision making is more instant, communications are better, employees are more involved in the setting up of business goal, employees are not tied by regulations and lastly organizations provide superb development opportunities.

II. Business Failure Rates:

According to the best practice Forum one in eight UK hospitality businesses fails every year making hospitality an extremely risky business field (Wanhill, 2000). Small firms are more risky than larger firms to market pressures and they are less likely to invest in the long term human resource strategies, which may cause financial difficulties in the short term. Moreover, Shaw and Williams (1994) identified that many family enterprises have little market stability, possess low levels of capital investment, have weak management skills and create resistance to change.

III. Flexibility and Innovation:

SMEs can exploit their flexibility, their market proximity and personal contact with customers which provide them with significant advantages in terms of potential responsiveness to customer needs (Beaver, Lashley and Stewart, 1998). This is also supported by Peacock (1993) who stated that standardization which is inherent to large organizations enhances service quality but restricts flexibility.

IV. Entrepreneurial Motivations:

Beaver et al. (1998) identified self employment and control as important motives for entrepreneurs and disparities among tourism SMEs in relation to the aims and objectives of the individual business, which are not always consistent with the commercial aims such as business growth and profit maximization. It has also been stated by WTB (2000) that important considerations to enter the industry is often motivated by non-commercial reasons, quality of life and desire to be one's own boss.

V. Business Strategies:

Tourism and hospitality SMEs have very different business strategies; some are well managed and effectively exploit their resources for business growth, others may be seriously deficient in business and management skills.

VI. Ease of Entry Leads to Weak Endemic Business Models:

The ease of entry to the tourism industry for new operators often results in weak endemic business models, perpetuated by an 'anyone can do it' mentality. There are skill gaps which exist among some owner-managers, who often lack abilities to manage their business as well as their staffs. This has major implications for an SME's human resource function, where the poor retention rates are often the result of poor management abilities (Haven and Jones, 2004). Beaver et al. (1998) commented that SMEs are concerned with adjusting usually limited amount of resources in order to gain maximum immediate and short term advantage. They are concentrated on controlling rather than predicting the operating environment and adapt quickly to the changing demands of the environment and use suitable tactics to lessen the consequences of any changes occur (ibid).

VII. Lack of Management Skills and Attitudes towards Training:

Dewhurst and Burns (1993) reported that SMEs operate in a very distinct manner due to the lack of specialist managers to oversee their various activities. The financial constraints contribute to the lack of management skills limited training, future investment and knowledge management with serious implications for the future of an individual tourism SME. Despite the fact that tourism SMEs are commercially satisfying, the fact that that business meets immediate survival needs, pays the bills and delivers an appropriate level of security which deters owner-manager to invest in training. Managers may only train when the venture is under particular threat or has to meet any legislative requirements (Thomas et al., 2000).

VIII. Poor Marketing Intelligence:

Poor market research and knowledge management about customers means that tourism and hospitality SMEs can be introspective and fail to achieve their full potential. Hospitality and tourism SMEs are dominated with little know-how and global reach (Weiermair, 2000).

IX. Lack of an Integrated Approach to Business Planning and Functionality:

Many tourism SMEs do not adopt an integrated approach to business planning and are generally poor in e-marketing and e-commerce technologies (Jones and Haven, 2004). Many micro-businesses in tourism do not develop any business plan against which to monitor business performance except when applying for a bank loan. Morrison (2002) reported that despite the phenomenal growth in the number of tourism SME website, the integration of their websites into wider business strategies and business cultures is still an issue of concern.

1.2.2.2 Weaknesses and Challenges of Tourism and Hospitality SMEs:

With the benefits of tourism and hospitality SMEs introduced in the above section, many studies as well as many researchers have argued that tourism and hospitality SMEs globally have several strategic weaknesses and disadvantages, which present challenges to their competitiveness and growth. Based on the literature review, the followings present the weaknesses and challenges for SMTEs and small and medium-sized hotels:

Human Resource Management:

Human resource management (HRM) has become a critical issue for the hotel industry in recent years (Nolan, 2002) and this is particularly more challenging for SMTEs. In a study by Collin, Buhalis and Peters (2003) of SMTEs in European hotel sector the results showed that 70% of the management cited human resource management as the biggest challenge for them. Similar study conducted by Avcikurt (2003) in small and medium-sized hotel enterprises (SMHEs) in Turkey also found that human resource management is mentioned as the most important problem area and the area that managerial training is perceived to be useful. Braun (2002) also stated human resource management as the biggest challenge for managers in SMTEs.

There is a range of studies indicating that SMTEs are deficient in human resource management (Buhalis, 1996). They find it difficult to attract and retain qualified staff (Buhalis, 1996; OSMEP, 2007; Briggs, Sutherland and Drummond, 2006), resulting in lack of skilled and quality labor which become an area of main concern to SMEs (Hollis, 2003). In a study by Briggs, Sutherland and Drummond (2006), respondents from small and medium-sized hotels identified staff retention as their challenge. Similarly, in a study of factors which influence the success of small hospitality enterprises by Milohnic (2005), the research has shown the lack of quality staff which know well in hospitality profession as key problem in SMTEs. In addition, Hwang and Lockwood (2006) have also identified the lack of skilled labor of hospitality and tourism SMEs as one of the barriers to implement best practice. Small firms have a higher probability of high turnover than large firms, because SMTEs offer less opportunity for career development (Arthur and Hendry, 1990 and Storey 1999) and uncompetitive salary and benefits (Buhalis, 1996). Jameson (2000) added informal recruitment practices and inappropriate selection of small hospitality firms as cause of high staff turnover.

Many researchers have also cited training deficiencies in SMTEs as one of the weaknesses and competitive disadvantage of SMTEs (Buhalis and Main, 1998; Kitchung, 2000 and Briggs, Sutherland and Drummond, 2006). They are facing the challenge of human resource development (Hudson et al., 2001). This is supported in the study by Jameson (2000) of recruitment and training in small firms: the results showed that only 11% of small hospitality firms had formal training plan and only 12% of respondents had training budget. The study

conducted by Avcikurt (2003) also revealed that employees at all levels of SMHEs often lack professional training and the comparative shortage of trained managers in SMHEs has been mentioned as the factor which has been one of the severe problems in tourism development in Turkey. SMEs are not committed to formal training or qualifications but seek opportunities for learning to address immediate business problems (Webster, Walker and Brown, 2005). Small and medium-sized hotels also experience problems in providing training for both owner-managers as well as workers (Avcikurt, 2003; Curren et al., 1996). Many owner-managers of these hotels regard human resource development and training as an operating expense rather than investment (Collins and Buhalis, 2003; Kerr and McDougall, 1999; Marshall et al., 1995; Blackburn and Hankinson, 1989). However a study conducted by Beaver and Hutchings (2005) in Training and developing an age diverse workforce in SMEs showed that SMEs which take strategic approach to training and development of their human resources will profit not only from competitive approach in their market place but are also well placed to adjust to changing and often uncertain external influences on the business environment presented to the organization in 21st century.

Brand and Bax (2002) provide an extensive overview of 104 studies on a wide variety of HRM topics in SMEs. They found that manpower need planning, introduction of new staff, appraisal and evaluation, training and development; external recruitment assistance, wages and fringe benefits and participatory environment are lower in small firms as compared to large firms however internal referrals, references, use of job try outs, satisfaction, informal, personal atmosphere and open communication are higher in small firms.

Lack of Consistency in Service Quality:

Kozak and Rimmington (1998) reported that tourism and hospitality SMEs are neither a uniform group nor able to provide a consistently high service quality. This is also supported by Church and Lincoln (1998) which showed that informal approaches to the service quality can be effective in some tourism SMEs but often their service quality are inadequate. Buhalis (1996) added that since no quality standards are introduced in SMTEs, service delivery varies according to occupancy, service provider and timing. Buhalis and Main (1998) and Buhalis (1996) also reported that the management function of quality management is often the core deficiencies for small hospitality businesses. In addition, the results of a study by Collins, Buhalis

and Peters (2003) showed that quality management ranked in the top fourth as the major challenge facing SMTEs in European hotel sector.

Other researchers have emphasized the importance of good service quality. A study conducted by Demirbag, Koh, Tatoglu and Zaim (2006) on TQM and market orientation's impact on SMEs' performance showed that there is a strong and positive relationship between the level of TQM implementation and organizational performance. Harrington and Akehurst (2000) stated that the effectiveness of service businesses is linked to service quality and in the hotel sector, service quality not only has a positive and direct effect on competitiveness but also an indirect positive effect via other variables such as occupancy level and average direct costs. Hwang and Lockwood (2006) added that training helps in achieving consistent standards and providing timely, reliable, responsive and competent service and identified consistent standards as one of the key capabilities that underlie the adoption of best practices for SMEs.

Informal Management and Weak Management Skills:

The managerial approaches of SMTEs often involve informal and unsophisticated business practices and processes (Peters and Buhalis, 2004; Avcikurt, 2003; Buhalis, 1996). Although this can be used to be their advantage through flexibility and ability to act fast, they often lack systematic approach. It is also common for family proprietors to be involved in both management and operations; therefore management is perceived to be emotional rather than rational and causing several problems (Avcikurt, 2003; Buhalis, 1996). A number of studies have also discussed that many small and medium businesses proprietors have limited or lack of formal education (O'Dwyer and Ryan, 2000; O'Farrell and Hitchen, 1988; Smith and Whittaker, 1998) and most of managers of small and medium-sized hotels have not obtained any particular tourism education or training so possessing no contemporary management background; thus a traditional approach rather than strategic management is maintained (Avcikurt, 2003). This is further supported by Avcikurt (2003) , who showed that in Turkish small and medium-sized hotel enterprises there is a shortage of skilled managers/owners, in particular managing owners are identified to have little training or qualifications. In addition, a study by the International Labor organization (2001) identifies the lack of professionalism, inadequate management and inadequacies in education and business training which put small and medium-sized businesses at

competitive disadvantage. This is also confirmed by Shaw and William (1994) who stated that many SMEs have weak management skills.

Lack of Strategic Planning:

Most SMTEs lack a strategic long-term plan and rarely formalize strategic business plans (Buhalis and Peters, 2006). They are also characterized as having poor strategic planning (Monkhouse, 1995; Ogden, 1998; Jones and Hwang, 2002; McAdam and Kelly, 2002). The lack of strategic planning and vision prevents entrepreneurs to plan well in advance, unable to take advantage of emerging opportunities for improving their competitiveness and profitability (Buhalis, 1996) and become an important factor in high business failure rates (Stonehouse and Pemberton, 2002). In addition, a study by Peel and Bridge (1998) showed a strong positive relationship between the success of SMEs and the degree of long term planning taken. Also the results of the investigation of the relationship between planning sophistication and performance of 253 small businesses in USA showed that SMEs with greater planning sophistication also showed greater growth in sales as reported by executives (Rue and Ibrahim, 1998) and can enhance their chances of survival and success (Perry, 2001). Several authors have also cited the importance of planning for SMEs since it clarifies management thinking, provide sense of direction, introduces a marketing perspective to activities such as setting objectives, motivating and directing staff, establish priorities and improving the quality of market knowledge (Moriarty, Jones, Rowley and Kupiec-Teahan, 2008).

Despite the many benefits stated, SMTEs still do not focus on strategic planning. This is supported by the results of a study on strategic planning in SMEs which showed that there is less evidence of strategic thinking and management in small firms as compared to large firms (Stobehouse and Pemberton, 2002). Fuller (1994) also mentioned that in comparison with larger firms, small firm exhibit more informal planning, planning that is restricted in scope and activity and with short term orientation. Avcikurt (2003) added that in family owned small and medium-sized hotel enterprises, owners are more concerned with daily operations rather than dealing with long term activities and planning. Similarly, the study by Murphy and Kielgast (2008) also verify that SM hotels often have a short term focus and are more occupied with operational issues than strategic ones. The reason provided is because they are often short of time and as a result tend to focus more on operational activities (Garengo et al., 2005).

Limited Capital and Resources:

SMEs have limited resources available for their operation (Monkhouse, 1995; Ogden, 1998; Jones and Hwang, 2002; McAdam and Kelly, 2002; Gunasekaran et al., 2001; Hashim and Wafa, 2002) and scarcity of funds (Murphy and Kielgast, 2008; OSMEP, 2007). There is a range of studies indicating that SMTEs face financial constraints as they have little assets to support their requests for loan, (OSMEP, 2007; Buhalis and Costa, 2006; Hwang and Lockwood, 2006 and Buhalis, 1996) making access to finance as the common area of concern to SMTEs. However a study conducted by Saleem and Weerakit (2008) revealed that more than half of hospitality SMEs did not face any type of difficulties while accessing to finance. This could be that they solved their financial needs by requesting loans from their families or friends (Hussain and Matlay, 2007). Cosh and Hughes (1994) suggest that owner or manager chooses first a personal source of finance; second, short term borrowing; third, longer term debt and finally, the least preferred, quiet finance which might affect his/her control upon the businesses.

Lack of Benchmarking:

Monkhouse (1995) cited that SMEs are often at a disadvantage as relevant benchmark tools and techniques may either be unknown or inaccessible. This is supported by a study of understanding the challenges of implementing best practices in hospitality and tourism SMEs, where Hwang and Lockwood (2006) have identified the barriers to implement best practices as lack of competitive benchmarking along with other variables. Many researchers have cited the benefits of benchmarking for continuous improvement and change (Singh, Garg and Deshmukh, 2008) and for improving and making own business more successful (Milohnic and Cerevic, 2007). But the transfer of competitive benchmarking in SMEs is still not as great as claimed from learning examples that come from larger companies. This is evident by the results of the study of Benchmarking and Quality of small hotels in Croatia, which revealed that only 26.7% of small hotels compare themselves with domestic and foreign competitors (Milohnic and Cerovic, 2002).

Hwang and Lockwood (2006) have cited the reasons that SMEs which characteristically may have few resources available, lack of knowledge, fears of commercial confidentiality or poor strategic planning may then implement one-off projects instead of focusing on continual improvement. However Ogden (1998) stated that although SMEs viewed

benchmarking with skepticism, many of them had taken some sort of informal benchmarking for example in hospitality sector they would compare room rates and prices of perceived competitors. The limit is in scope in terms of geography and in their view of who their competitors are. Francis, Hinton, Holloway, Humphreys (1999) identified a number of problems experienced during the costly and time-consuming practice of benchmarking as difficulties in finding partners who were suitable competitors, resource constraint (especially time), access to other organizations, staff resistance and confidentiality (in descending order of frequency).

High Operation Cost:

SMEs also have high operations costs. Small and medium-sized hospitality enterprises, because of their fragmented nature, they lack opportunities to make economies of scale (Avcikurt, 2003). The lack of economies of scale put small and medium-sized hospitality and tourism enterprises at competitive disadvantage (International Labour Organizations, 2001) which result in high overhead and cost per unit which enable them to compete on price and lack the benefits of mass production (Buhalis and Costa, 2006).

Sales and Marketing Management:

A study conducted by Avcikurt (2003) revealed that sales and marketing management is an important problem area and one where additional training is required. Similarly, a study of SMTEs in European hotel sector by Collins, Buhalis and Peters (2003) also revealed that sales and marketing management is identified as their major challenge following human resource management.

Many previous researchers have cited that SMEs in hospitality and tourism lack specialized marketing expertise (Peters and Buhalis, 2004; International Labor Organization, 2001; Gilmore, Carson and Grant, 2001) which enable them to respond effectively to the threats and opportunities in the changing market and thus put these small and medium-sized hotels at competitive disadvantage (Avcikurt, 2003). Market research is rare (Buhalis, 1996; Jones and Haven-Tang, 2005; Singh, Garg and Deshmukh, 2008; Avcikurt, 2003) and they tend to follow product-oriented approach (Buhalis, 1996); as a result they fail to achieve their full potential by understanding their customers' needs and wants and exceed their customers' expectations. They are also not an active sellers or lack effective selling techniques (Hashim and Wafa, 2002; Murphy and Kielgast, 2008) and have reactive selling approach (Carson, 1999; Gilmore et al.,

2001). In addition, Avcikurt (2003) added that small and medium-sized hotels have a limited customer base, so the inability to market their products adequately can make them face greater uncertainty to survive in this globalised economy.

Marketing in SMEs is likely to be haphazard, informal, loose unstructured, spontaneous and conform to industry norms (Gilmore et al., 2001). Marketing in practice in small firm seems to rely on personal contact networks (Gilmore et al., 2001; Brodie et al., 1997; Hill, 2001) and is often driven by the particular way in which an owner manager does business. (Simpson, Padmore, Taylor and Frecknall-Hughes, 2006). The promotional activities of SMTEs tend to be uncoordinated, inconsistent, and ill targeted, resulting in fairly low effectiveness. Hence SMTEs are over dependent on a limited number of tourism intermediaries for promoting and distributing their product (Buhalis, 1996; International Labor Organization, 2001) and are unable to negotiate their price with tour operator but rather have to accept the proposed price given by tour operators (Buhalis, 2000). Shiels, McIvor and O'Reily (2003) added that SM hotels have less bargaining power when it comes to suppliers, partners and customers and may have to accommodate what these stakeholders dictate (e.g. what partners to work with, what target markets it attracts, how is distribution executed) and therefore rely heavily on marketing plans of members of their distribution channels and suppliers. Customer relationship management (CRM) also poses some challenges for small independent hotels (Moriarty, Jones, Rowley and Kupiec-Teahan, 2008) while large hotels have sophisticated CRM systems based on strong branding and loyalties schemes such options are not available to small hotels as many customers do not re-visit small hotels (Imrie and Fyall, 2000).

The results of the study of Enz (2009) revealed that maintaining competitive edge and track changing customer's needs are challenges for managers in the lodging industry, not specially SMEs but this could even be more challenging in SMEs. Hill (2001) stated that SMEs lack routine marketing decision and reaffirms their reliance on intuition as a key determinant in marketing success. Since they rely on intuition and tend to compete on price, Campbell-Hunt (2000) mentioned that those SMEs who compete on price were in highly competitive markets with little or no differentiation and entry barriers are low.

Several studies have actually revealed the positive results of good marketing practices. The results of the study by Simpson et al. (2006) in a study of marketing in small and

medium-sized enterprises showed that there is a positive link between company's financial performance and its approach to marketing. Similarly, Fuller (1994), Gadene (1994) and McLarty (1998) stated that there is considerable evidence which shows that small business success and survival is dependent on the firms marketing efficiency. Nevertheless, sales and marketing practices in SMEs are still not as good as they should be.

Most family hotel businesses also have limited marketing skills and fail to employ suitable professionals to ensure their products are marketed appropriately. Their budgets are limited for any kind of marketing campaign and thus find it difficult to reach their markets (Peters and Buhalis, 2004). As a results family hotels depend on intermediaries such as tour operators to reach potential clients (Buhalis, 1994; Buhalis and Cooper, 1998). Various authors agree that SME owner/manager prefer simple, pragmatic and intuitive marketing planning over complexity and formality (Carson, 1999; McCarton-Quinn and Carson, 2003; Lancaster and Waddelow, 1998) although Walker et al. (1992) found evidence those firms with formal marketing plans outperformed those without. The distinctive marketing style of SMEs which has little or no adherence to formal structures and model, results in marketing that is simplistic, haphazard, often responsive and reactive to competitor activity (Carson and Cromie, 1989). This is evident from the study of Murphy and Kielgast (2008) in small and medium-sized hotels where marketing or any form of strategic marketing planning is quite low among respondents with half of the respondents have no marketing plan and only three have a plan for the next three months which implies that their marketing objectives mostly focused on short term objectives. Carson and Cromie (1989) added that SMEs marketing is restricted by resource limitations which include finance, personnel, perception of function, skills and attitudes.

In recent years, the use of internet marketing (Chaffey, Mayer, Johnston and Ellis- Chadwick, 2000) or e-commerce (Rayport and Jaworki, 2001) has become popular in all types of businesses including SMEs but there is considerable evidence that SMEs are still not using to full scope or potential (Gilmore, Gallagher and Henry, 2007). A study by Gilmore, Gallagher and Henry (2007) showed that e-marketing is still very much in its infancy stage for some SMEs in regional economy, they are not fully exploiting especially in relation to developing corporate image or competitive advantage. The use of internet by SME may only offer benefits in form of improved promotions and communications with customers and its role in generating

revenue still remain to be seen (Gilmore, Gallagher and Henry, 2007). In addition, a study conducted by Murphy and Kielgast (2008) in do small and medium sized hotels exploit search engine marketing (SEM), results revealed that although all small and medium-sized hotels have a website they do not exploit SEM which may be attributable to poor marketing planning and lack of control of their website through outsourcing key development and optimization activities.

Yield Management (YM):

The practice of yield management in small and medium-sized hotels is still limited. This is supported by the study of Luciani (1999), where the results showed that there is a low level of YM implementation in many Italian small and medium-sized independent hotels. EC (1993) have cited the obstacles to yield management in SM hotels which are both from internal and external. Internal obstacles are lack awareness and understanding of YM, majority of small and medium-sized hotels lack cooperation which leads to the lack of interchange of information and managerial experiences (do not have strategic alliance), insufficient management skill or expertise, resistance of formalization of information or information technology, lack of suitable communication or distribution channels, dependence on contract business with fixed prices, insufficient internal information and cost of computer YM systems while the external obstacles are rigid seasonality of demand and insufficient infrastructure to support diversification and market segmentation

Although it is argued that profit maximization is the primary function of yield management and SMEs enterprises are more concerned with more complex status such as entrepreneur status and survival rather than profit maximization plus managerial disposition towards hands on style approach and exclusion of overbooking policies, these conditions do not necessarily make the process of yield management ineffective and yield management can be successful in SMEs (Lee-Ross and John, 1997).

ICT Adoption:

ICT can offer significant advantages in operational, tactical and strategic management of small and medium-sized hotels by creating competitive advantage (Buhalis and Main, 1998). However, technology is underutilized in many small and medium-sized hotels. They are also characterized as laggards and have yet to fully realize the actual benefits of applying ICT to the businesses (Buhalis, 2003). SMEs have limited adoption of ICT innovation and the reasons

for limited adoption can be identified as lack of resources, lack of skilled employees, lack of easy to use the technology adapted to SMEs and of course lack of awareness of the potential benefits (Buhalis and Kaldis, 2008) while Buhalis and Main (1998) added the lack of training, age, the educational level and family based establishments of SM hotels, the deficiency of rational management and marketing functions, short-term operational focus of managers, inadequate bargaining power within the traditional channels which results in the lack of use of Internet or web enabled technologies in SM hotels. This is also supported by a survey of 153 small companies in USA by Li (1997) who indicated that small establishments are not exploiting the latest information technologies and not utilizing comprised systems to gain competitive advantages. Similarly, the results of a study by Collins, Buhalis and Peters (2003) revealed that SMTEs are not utilizing information and technology to its potential. In Thailand, the ICT adoption by SMTEs is in a basic or the early majority that emphasized on the basic software adoption, providing e-mail and a static website (Chobkhay, 2007).

As in recent years, the use of internet marketing (Chaffey, Mayer, Johnston and Ellis- Chadwick, 2000) or e-commerce (Rayport and Jaworki, 2001) has become popular in all types of businesses including SMEs but there is considerable evidence that SMEs are still not using to full scope or potential (Gilmore, Gallagher and Henry, 2007). This is supported by the results of the web survey from the study of internet distribution in small and medium-sized hotels in Athens by Buhalis and Kaldis (2008) indicated that e-commerce in the small and medium-sized hotels is still underdeveloped and that SMEs are underutilizing the potential of the medium. The internet is mainly regarded as marketing and promotional medium, not the one for gaining competitive advantage through reduction of distribution costs and promotion of differentiation in SM hotels (Buhalis and Kaldis, 2008) or for training, inter, intra organizational and e-commerce purposes (Collins, Buhalis and Peters, 2003). This is supported by the results of the study which revealed that 93% of the respondents in SM hotels in Europe use the Internet and have their website primarily as a mechanism to promote their hotels but very few facilitate online reservation which indicates the low level of e-commerce (Collins, Buhalis and Peters, 2003). In contrast, the results of a study of ICT applications for small and medium-sized tourism enterprises in Thailand in 2007 revealed that only 33% had presented online by their website while 44.6% of SM hotels had presented online by their email and 42% by email booking (Chobkhay, 2007).

Small and medium-sized hotels still rely on traditional distribution channels such as travel agencies and GDS. Although hotels have realized the opportunities through deployment of internet as a distribution channel, they are reluctant to adopt such new technology with the fear of the risks combined with disrupting well-established relationships with offline intermediaries as well as security and sustaining the pricing policy (Buhalis and Kaldis, 2008). However, it can be argued that with the adoption of e-commerce, SMEs can reach their customers directly and hence reduce their dependency on travel intermediaries. Quaysle (2002) stated that SMEs could benefit by using e-commerce, both as the strategic tool and to facilitate purchasing consortia and Akkeren and Cavaye (1999) added that e-commerce improves an SMEs ability to compete with larger organizations, operate on an international scale, providing cost effective ways for SMEs to market their business, launch new products, improve communication, gather information and identify potential business partners. Nevertheless, e-commerce strategy is missing from SMEs business plans (Quayle, 2002). Abell and Lim (1996) added that like larger counterparts, SMEs look to e-commerce as means of improving sales, improving marketing (Poon and Swatnam, 1995), reaching new customers and market (Ritchie and Brindley, 2001) and improving overall efficiency (Tettech and Burn, 2001) but unlike larger counterparts, SMEs businesses tend to have short term or inadequate business plans in place when e-commerce adoption is considered (Tettech and Burn, 2001). As the results small businesses fail to distinguish between tangible and intangible benefits and focus more on the immediate rather than long term strategies (Quayle, 2002). Despite all the benefits of Internet, SMTEs have been slow to adopt and to realize the actual benefits of using ICT to their businesses (Collins, Buhalis and Peters, 2003).

SM hotels and experts in the study of Buhalis and Kaldis (2008) in Athens have identified a number of challenges in adopting Internet as a distribution channel. First hoteliers fear disruption with well established partner relationships with traditional distribution channels such as travel agencies and tour operators, second issues regarding sustaining coherent pricing and price parity among different websites and third is issues regarding maintaining brand integrity and this also leads to the threat relating to the standardization and commoditization of the product as many respondents mentioned that price is the only factor that online intermediaries are interested in and therefore many other added values were under represented. The fourth issue

is regarding differentiation as hotels need to develop comprehensive strategies to promote their hotel; the fifth is about the relationships between hotel chain-property that can be affected as many GM adopt strategies that are relevant to local market but may contradict with chain or vice-versa; and lastly, there is the challenge of search engine optimization (SEO) as many hotels find their own website often ranked much lower than their hotel's aggregators' sites which jeopardize their opportunity to communicate directly with their clients and forces them to pay more distribution costs. Murphy and Kielgast (2008) added that intermediaries are often seen as the threat to pricing integrity and distribution costs by hotels, despite serving a purpose in terms of gaining visibility and market reach. Buhalis and Kaldis (2008) emphasized that most SMEs find it increasingly difficult to adopt a comprehensive online strategy as they lack the resources and expertise to develop their own presence or develop suitable partnerships with aggregators. They also mentioned that not having a comprehensive online presence or failing to adopt a multi-channel strategy effectively can mean invisibility in the market place or strategic disadvantage.

Managing Legal Matters:

Hollis (2003) identified the areas of common concerns to SMEs were administrative regulations. Examples from hotel and restaurant sector found that those small businesses were largely concerned with taxation. It was also found that health and safety regulations, minimum wage requirements to be an obstacle in terms of negative cash flow, restrictive payment arrangements and associated penalties.

Corporate Social Responsibility:

CSR is important in all firms, large and small (Williams, 2005; Hopkins, 2003; Roche, 2002). However, little is known empirically about the type and extent of social responsibility in small firms (Vyakarnam et al., 1997; Schaper and Savery, 2004). SMEs by their nature may experience specific barriers and challenges in practicing CSR such as a perception that CSR does not relate to SMEs, resource constraints such as financial, human and time limitations (Sarbutts, 2003; Vives, 2006). However, a study conducted by Sweeney (2007), the results showed that SMEs did not experience all of these barriers and cost was the only barrier cited by SMEs. SMEs also tended to mention the community as an important stakeholder when defining CSR. They describe their CSR activities along the lines of community projects and

environmental initiatives such as working free of charge for charities, making charitable donations and recycling initiatives (Sweenay, 2007).

1.2.3 SMEs in Thailand

Small and medium-sized enterprises (SMEs) are considered the backbone of economies and the driver of economic growth (Faustino, 2005). SMEs are an important element of Thai economy as it accounts for 99.6% of overall enterprises, which made an essential foundation of sustainable development and a key mechanism to promote economic revitalizing, to reinforce economic progress and to eradicate poverty (OSMEP, 2009). SMEs are the major source of income and provider of employment especially in transitional and developing countries (Faustino, 2005). This statement is further confirmed by the figures provided by Office of SMEs Promotion Thailand.

SMEs in Thailand constitute 99.6% of the overall enterprises existed in Thailand, which is equivalent to 2,366,227 enterprises in 2007 (OSMEP, 2007). As mentioned by the Office of SMEs Promotion and various researchers, SMEs are important in job creation and economic growth distribution in the regions. In 2007, the employment of all enterprises were 11,711,334, out of which, the job creation by the SMEs was 8,900,567 that is about 76.0% of the total employment (OSMEP, 2007). SMEs have also contributed 38.2% of the overall GDP with the annual growth rate of 4.2% in 2007 and also accounted for over 29% of the overall export value in the year 2006 (OSMEP, 2007).

SMEs in service sector including tourism industry constitute 30% of the overall enterprises which is about 708,841 enterprises and constituents the highest percentage of GDP contribution to the overall SMEs GDP which is 32.2% in the year 2007 and contributed 46.9% or 1,043,191.2 million Baht of the total GDP in service sector which is 2,228,957.0 million Baht (OSMEP, 2007). SMEs in service sector including tourism industry have employed 3,007,968 positions or 82.6% whereas large enterprises in this industry employed only 632,213 positions in 2007 (OSMEP, 2007).

According to the statistics of office of SMEs Promotion, there are 183,892 SMEs hotel and restaurant enterprises or 99.86% out of the total 184,147 hotel and restaurant enterprises in Thailand in the year 2007. SMEs hotel and restaurant sector have also played a vital role in job

creation and economic development of the country especially in tourism industry. SMEs hotel and restaurant have employed 646,944 employees in 2007, which is about 83.5% of the total workforce in hotel and restaurant industry (OSMEP, 2007). The statistics of the Office of SMEs Promotion further show that in 2007, hotel and restaurant sector have contributed 18.7% or Baht 416,550 million out of the total GDP in service sector which is 2,224,957 million Baht and demonstrated that the biggest contribution was from SMEs hotel and restaurant which is equivalent to 93.0% or Baht 387,241.7 million and large hotels and restaurants constituent only 7% or Baht 29,308.3 million (OSMEP, 2007).

OSMEP has launched the promotion plan, 2007- 2011, for SMEs in service sector and the targets in service sector are tourism and related industries and other service industries. Tourism and related industries consists of tour agencies, transporters, hotels and accommodations, restaurants, gift shops, spa/Thai massage and the service group of MICE. The direction of the plan is to support the use of knowledge, Thai culture, Thai wisdom and technology especially ICT to create value and value added and to promote the linkages between SMEs in service sector and large enterprises. The schemes of the plan are to develop personnel in the service sector, to support the networks of supply chain and clusters of the high potential service sub-sectors, to urge the implementation of the plan to upgrade the efficiency, productivity, services in many sub-sectors and the standards of the service products by setting up the standard criteria of service and lastly to develop competitiveness through the use of Thai culture, wisdom and applying the appropriate modern technology including the adoption of ICT in business operation (OSMEP, 2009).

1.2.3.1 Problem Analysis of Thailand's SMEs

The Office of SMEs Promotion (OSMEP) has analyzed the problems and weaknesses of SMEs in Thailand in the year 2005-2006 into the following points:

Financial Problems: Most of the entrepreneurs in SMEs are facing this problem. On the one hand, problems may originate from the entrepreneurs in SMEs themselves such as lack of collateral for loan guarantee, lack of good management and lack of good accounting system causing financial institutes to be unconfident to grant loans. On the other hand, financial institutions in general do not give priority to credit applied by SMEs. The reason cited is

not only the management problems in SMEs but the problems of insufficient collaterals and transaction cost per loan for SMEs are considered to be relatively high compared to that of large enterprise.

Management Problems: Most entrepreneurs still lack business knowledge, modern technology know-how, management, marketing, product development and good vision of development. Some SMEs do not have the qualities of good entrepreneurs such as being risk-taker, enthusiastic, leadership skills, eager to learn and ability to manage.

Technological Problems: SMEs lack technological improvement. Most of them still use it for conventional and inadvanced technologies. SMEs mainly use it for general management control such as accounting and financing. The use of e-commerce is still low and not for the purpose of exchanging information electronically. SMEs in service industries still cannot employ modern technology including ICT in order to raise quality standard and efficiency of services offered. The reasons that forbid their improvement in technology are limitations in funding, limitations in knowledge, shortage of skilled human resource, lack of ability to link themselves with knowledge to outside their organizations such as institutions and government agencies and uninspired to develop innovation because of high risk in market and funding access.

Marketing Problems: The main marketing problem faced by most SMEs is the lack of knowledge to develop marketing channels. They still use traditional marketing channel which prevent from reaching customers directly, whose needs have become complicated and diverse. Most SMEs still lack clear marketing goals, marketing plans, lack of staff with good know how on marketing and give less importance to customer satisfaction survey.

Product Problems: Majority of SMEs still has difficulty in developing up-to standard goods and services. There is still a lack of new product development and most of them do not own research and development units. As the result, only 12% of Thai SMEs offer novel products, while 68% produce goods that are similar or hardly any different from other producers.

Human Resource Problems: Most SMEs are still unable to recruit or retain skilled workers and mid level technicians. This makes SMEs unable to produce high quality goods and services.

☞ **Production Cost Problems:** SMEs in general lack of information on raw material sources and usually use low quality raw materials. They normally bear high logistic costs.

☞ **Accessing Government Service Problem:** A large number of general enterprises are unofficially established, which cease them from using public sector services. Even some legally registered enterprises still shy from involvement because of concerns of the ill-practices in taxation, ignorance in information regarding access to governmental services and low opinion towards bureaucracy.

1.2.4 Consulting Concepts

There are various definitions of consulting. Stelle (1975) defines consulting as “any form of providing help on the content, process, or structure of a task or series of tasks, where consultant is not actually responsible for doing the task itself but helping those who are”. The Institute of Management Consultancy (IMC) defines consultant as the service provided to business, public or other undertakings by an independent and qualified person in identifying and investigating problems concerned with the policy, organizations, procedures, methods and recommending appropriate action and help in implementation those recommendations while Kubr (2002) defines management consulting as an independent professional advisory service assisting managers and organizations to achieve organizational purposes and objectives by solving management and business problems, identifying and seizing new opportunities, enhancing learning and implementing changes. Greiner (1983) states “management consulting as an advisory service contracted for and provided to organizations by specially trained and qualified persons who assists in an objective and independent manner the client organization to identify management problems, analyze such problems, recommend solutions to these problems and help when required in the implementation of solutions.

James (2001) defines consulting as the process whereby independent and knowledgeable people provide expertise to others for a fee. Consultants are independent meaning that they are not the employees of their clients (ibid). Biech (2007) defines consulting as the process by which an individual or firm assists a client to achieve a stated outcome. The assistance can come in the form of information, recommendations or actual hands on work. A consultant is a

specialist within professional area who completes the work necessary to achieve the client's desired outcome. Holts and Zahn (2004) in a book on how to succeed as an independent consultant define consulting "as the science of providing objective business relevant guidance and counsel to decision makers without possessing ownership stake in the decision". Consultation is a temporary relationship to provide assistance to a person, group, organization or community wanting to build their capacity, accomplish their task or achieve a goal. The consulting relationship is different from employee relationship in that it is time limited and consultants is free to decide when and how to work (Lucas, 1998).

Since there is no official definition of hospitality consulting, the definition of hospitality consulting in this study is adapted from the definition of Kubr (2002). Hospitality consulting refers to the provision of professional advisory service by independent and qualified individuals or firms to hospitality companies (which include hotels) in assisting managers and organizations to achieve organizational purposes and objectives by solving management and business problems, identifying and seizing new opportunities, enhancing learning and implementing changes.

1.2.5 Consulting Companies and Services

Hospitality consulting companies are available worldwide. Their main task is to provide specialized advice to companies and organizations in order to improve their effectiveness. The researcher has reviewed hospitality consulting companies located in the USA, the United Kingdom, Switzerland, Israel, New Zealand, China, Hong Kong, Indonesia Malaysia, India, Singapore, Australia, Japan and Thailand. The consultants in many of the hospitality consulting companies reviewed are also members of the International Society of Hospitality Consultants (ISHC). ISHC is arguably the world's greatest source of hospitality expertise and counsel which are represented by some two hundred of the industry most respected professionals from across six continents (<http://www.ishc.com>). The hospitality consulting companies whose consultants are also the member of ISHC and researcher has reviewed the services from are JLC Hospitality Consulting, Cayuga Hospitality Advisors, Atlantic Hospitality Advisors, HVS Hotel Management, HLT Advisory Inc., Hotel & Leisure Advisors, The Hudson Group, PKF Consulting, Cushman & Wakefield Hospitality, Roundhill Hospitality, Aspire, TRI Hospitality Consulting, Hotel Consulting, LLC, Maclellan & Associates, Hotel Source, Inc., Paradigm

Hospitality, Fields & Company, Brandt Hospitality Consulting, INC., Carrol Verret Consulting & Training, Hospitality Advisors LLC, TR Mandigo & Company, Colbert Hotel Consulting, LLC, Interim Hospitality Consultant, LLC, Hospitality technology Consulting, O'Neal Consultants, Hotel Technology & Telecommunications Consulting, Dimond Hospitality Consulting, Hotel Consulting International (HCI), Horwath Hotel, Tourism and Leisure Consulting, C9 Hotelworks (based in Phuket, Thailand).

The other hospitality consulting companies that researcher has reviewed are Clark Wolf Company, Adelfi Group, The Hospitality Consulting Team, Consulting Hotel, Hospitality Consulting (HC), Hospitality Consultants Asia (HCA), Invision Hospitality (Thailand), Oriental Hospitality Consultants (Thailand) and MAI-BS Hotel Consultant Thailand.

There are various types of services offered by these hospitality consulting companies. The services offered are listed as follows:

1. Management Contract and Franchise Affiliation Selection: The services include:

A. Review and evaluate international hotel operator options and brand alternatives that meet the needs of client's property.

B. Coordinate contract negotiation for management or franchise agreement.

C. Assist in securing brand and marketing alliances.

2. Asset Management:

The purpose of asset management is to optimize the performance and enhance asset value of the property. The asset management consultant works as an owner representative. It eliminates the need to hire in house asset management manager. The asset management consultant will work with the hotel management company and the owner to enhance the value of the hotel property. The key activities in asset management are as follows:

A. Operational Review & Operations Oversight

It involves an intensive analysis of hotel's business that forms the basis for the development of operational strategies that will improve the profitability of the asset. It consists of an evaluation and review of business strategy, hotel's positioning, organization, people, process, technology, financial performance, benchmarking, the marketing plan and

operating budget, key performance indicators, staffing guidelines, productivity measure and the use of technology.

B. Hotel Budget Review

Oversee and supervise on capital expenditure plans and annual budget plans.

C. Operator Performance/Compliance Review

Conduct routine reviews to ensure that contracted operators or Management Company is complying with contractual obligations.

D. Monthly Operational and Financial Review

Review and assess the regular monthly management report and financial statements and then provide a written analysis of the report for proactive follow up.

E. Legal & Regulatory Compliance

Advice ownership on potential liabilities related to the asset such as appropriate legal actions, environmental issues, labor unions, insurance and guest safety.

F. Conduct Unannounced Site Visit

The purpose of unannounced visit is to analyze the service and maintenance quality.

G. Contract Negotiations

Asset management consultant will work with management company and owner in performing contract negotiations and providing assistance in selecting operators, franchisors, suppliers, contractors and other outside service.

H. Annual Business Plan and Asset Strategic Plan

Examine and advice on hotel annual business plans to establish realistic management goals, anticipated returns and consistent strategies, which will benefit the owner.

I. Property Inspections and Owners Meeting

Attend meetings with hotel operator to review current and forecasted results as well as proposed management plans. Major issues include key result area variances, sales and marketing issues, manning, capital improvements, trading shortfalls and legal matters.

J. Product Enhancement

Recommend on potential product enhancement opportunities based on a thorough analysis of market and net benefit after associated capital costs. The examples of such projects are room's inventory, spa facilities, new food and beverage outlet or banquet facilities etc.

K. Owner Representative

Act as liason between management company and owners.

3. Human Resource Management Consulting.

The consulting services include:

A. Human Resource Analysis & Planning

It concludes the analysis or planning of the policies, procedures and practices of human resource management in the areas of staffing planning which include job description and classification, recruitment and selection, transfers and promotions, performance assessment, job evaluation, communications, motivations and remuneration or health and safety related issues. The purpose of the analysis also includes:

- Ensure that all federal, state and locals regulations are followed
- Ensure that all files are complete and accurate
- Verify the effectiveness of company's interviewing, recruitment policies and procedure.

B. Recruitment Services

It is a special services offered by some large hospitality consulting firms to fill management positions in hospitality companies. It includes the services such as:

- Executive Search
- Mid level management recruitment
- Short or medium term executive interim management services

C. Human Resource Development and Training includes

- Career development such as the areas of planning or analysis of career paths or career assistance, performance appraisal techniques, promotions or transfers.
- Performance development or Training which includes:

- Staff training and task training
- Leadership skills training
- Specific area training such as front office training, night audit operations training or sales force training.

D. Compensation and Benefits Planning includes

Conducting local wage and benefits survey, social benefits planning and planning on insurance and pensions schemes etc.

4. Strategic Planning

Hospitality consulting companies provide a variety of services concerning strategy ranging from the facilitation of strategic planning process to development of a comprehensive strategic plan. The services include SWOT analysis, clarification of vision and mission, identification of sources of competitive advantage and articulation of strategic objectives and supporting actions. It also includes planning and implementation services in goal setting, resource allocation, renovation, repositioning, budget forecasting, team building, task force facilitation, quality management, consensus building and lifecycle marketing. Strategic development such as evaluating branding, property ownership strategies, opportunities in the markets or identification of potential investment opportunities by product/brand is also part of strategic planning. Consulting companies also assist hotels in strategic plans that include business, sales, marketing components and collaborate in implementation. Strategic business consulting also includes marketing analysis, trend identification and competitor research.

5. Litigation Services

Hospitality consulting companies provides litigation support to hotels involving bankruptcies, foreclosures, property tax appeals, condemnation, damage assessment and management or brand issues.

6. Operational Management Consulting: The services include the following areas:

A. Overall Operational Review/Audit: The services include conducting benchmarking studies, an analysis of all operating manuals, budgets, policy and procedures manuals, the review of various systems and controls utilized by the hotel and evaluate the revenue

generating capabilities of the asset, cost containment procedures and cash flow target with a view to maximize productivity and profit performance (by controlling/lower the costs). It also includes a review, evaluation and report on operational techniques; leadership strategies and management performance to ensure the hotel achieve its full potential.

B. Food and Beverage Operations: The services include restaurant design, development of brand concept, business plan, marketing strategies, menu development, kitchen design, tabletop programs, operations manuals, technical assistance, employee development, training as well as control techniques and system management.

C. Spa Management Services: The services include development and implementation of unique wellness and healing concepts, quality assurance, training as well as marketing planning.

D. Operating Standards Development

E. Profit Improvement Services:

- Analyze the profit and loss statement, emphasize areas of concern to the property and recommend solutions to reduce costs without affecting the performance.
- Initiate revenue generations' programs such as yield management and profit engineering

F. Outsourcing Strategies

G. Transition Planning

H. Conducting Benchmarking Studies

I. Consulting in Specific Departments: It includes front office, housekeeping, kitchen etc in analyzing operational effectiveness, designing operational procedures or implementing changes.

7. Sales and Marketing Consulting Services: The services consist of the following:

A. Market Analysis: It includes an analysis on trends, demand (customers) as well as on competitors. Some hospitality consulting companies have databases from which they

can provide aggregate breakdown of where hotel bookings are coming from and with the information from an analysis of demand, hotel can adjust their tactics to exploit market opportunities and boost bottom line.

B. Market Positioning or Repositioning

C. Conducting Research Studies: The studies involving customers, competition, brand impacts, product improvements, market feasibility, customer awareness, attitudes & opinions and identity and image (<http://www.jeffcoy.com/services/marketing.shtml>).

D. Revenue Optimization Strategy and Yield Management

E. Sales and Marketing Training and Coaching

F. Sales Promotion

G. Public relations

H. Creating Sales and Marketing Plans: The plan encompasses all the markets including corporate and leisure transient, groups, wholesale contracts and online travel agents. It also includes opaque channels, public relations, social media marketing, website marketing and print marketing. Website marketing and search engine optimization (SEO) are also a part of the marketing plan.

I. Sales and Marketing Assessments: by making a review on existing pricing, promotional and distribution strategies as well as the operations of sales and marketing department. These help owners, operators and GM to understand the effectiveness of sales team, learn to how maximize the revenue through better rate management, to outperform competitor's hotels and operate more efficient sales and marketing department (<http://www.hvs.com/Services/MarketingComm/>).

J. E-marketing: It includes website marketing, social media marketing as well as advice on developing comprehensive online strategies.

K. Brand Management: The services include creation of brand mission, vision, pillars, brand identity, manuals, polices and standards based on hotel's customer.

8. Benchmarking Services

The services conducted for the hotels, by using databases that consulting companies have, to compare the performance against the competitors and identify the strengths and weaknesses of the hotel.

9. Project Development and Business Planning: The services include:

A. Examine and advise on project conceptualized development and operating concepts for hotels/resorts, food and beverage outlets and other facilities.

B. Offer advisory services on site selection, market evaluation, design development and strategic planning.

C. Development of plans for pre-opening budget and working capital

D. Development of human resource guidelines, compensation and benefit platform, recruitment calendar and job profiles.

E. Development of design guidelines and technical standards manuals

F. Development of IT specifications and operating equipment lists

G. Development of pricing strategy, revenue management, sales, marketing and human resources procedures.

H. Recruiting, hiring and training of all the employees

I. Financial review and return on investment analysis reports and recommendations.

Project Development and Business Planning consulting also includes:

A. Feasibility Study:

It is usually conducted for the proposed hotel development, the existing hotel that would like to refurbish, renovate, expand and repositioning, obtain financing or refinancing the existing loan. The study includes the market analysis, economic analysis and financial feasibility.

Market analysis, economic analysis and financial feasibility includes site visit, strength and weakness analysis, market segments analysis, competitor analysis, demand

analysis, existing and future supply and demand trends analysis and the projected profit and loss statement. This study will also determine customer mix, average room rates, room revenue and expense ratio for the proposed hotel. The market and financial feasibility study will also assess opportunities, market conditions and trends for the proposed project or existing hotel.

The purpose of this study is to reduce developer's risk. It is designed to provide the developer or investor with recommendations on the hotel proposal, as well as delivering a full investment evaluation of the project.

B. Due Diligence: This service helps the investors or hotel owners in acquisition or disposal of hotel projects by carefully studying and analyzing various opportunities, strengths and weaknesses of the projects. The following are the expert due diligence services:

- Legal compliance specific to the industry and the region or market in which the property operates, including licensing, building codes and other government authority requirements.
- Contractual review of key customer, tenant, supplier and employee contracts and any other related issues.
- Management company contract review.
- Financial and operational property performance review
- Market analysis to assess the hotel's current and potential future market position and its future trading potential
- Marketing forecast
- Commercial review of business operations and procedures
- Physical assets and capital expenditure review
- Review of property affiliations and memberships
- Review of Intellectual Property, Trademarks, and patents
- Review of Information Technology

10. Risk and Crisis Management Consulting

The services provide an access to a full range of risk management and insurance products and services, including policy analysis, program design, strategic loss control planning, alternative risk financing, claims management as well as crisis management planning.

11. Arbitration and Mediation Services

Consulting companies provide a neutral mediator to resolve disputes arising from numerous issues. The services are provided for the following issues:

- A. Management/operations/technical services agreements
- B. Franchising agreement and agency issues
- C. Equipment purchase agreements/warranty disputes
- D. Strategic alliance/joint venture issues
- E. Real estate lease and purchase problems
- F. Bank debt and capital borrowing
- G. Employee and employer issue
- H. Tax disputes including compensation issues
- I. Securities/broker dealer problems
- J. Other commercial contract issues with suppliers
- K. Unforeseen damages and injuries to guests, clients and invitees
- L. Trademark, brand and copy right issues

(<http://www.cayugahospitality.com/mediation.htm>)

12. Quality Assurance: The services include:

- A. Mystery shopper
- B. Guest Satisfaction survey
- C. Quality Management

13. Database:

Consulting companies' database reports are useful for pinpointing operational strengths and weaknesses, compare the performance against the competitors and identify trends in the market.

14. Management Contract Services

Consulting companies also provide management services to the hotels with responsibility for all operating standards and financial performance (<http://www.hvs.com/Services/HotelManagement/>, <http://www.invisionhospitality.com/service.php#service1>).

15. Financial Management Consulting: The services include:

A. Preparation of Loan Application and investor information package: Consulting companies assist in making client's request for funds attractive to the lenders or potential investors. (http://www.smallinn-cubator.com/consulting_services.html).

B. Valuations and Appraisals: The services is normally given for a variety of purposes such as support development funding, loan security, accounting, measuring asset performance and strategic planning, determine the economic viability of the proposed hotel projects or renovations, determine an acquisition or disposal value and other tailored valuation and appraisal services. The study includes the comprehensive analysis of past, present and anticipated market conditions and hotel cash flow analysis. Regional market and country specific economic conditions are also assessed to measure operating viability. Performance projections are provided as the result of market research conducted to assess the competitive supply of hotel rooms and current and projected levels of lodging demand and property's competitive advantages and disadvantages. The property is then appraised and value using sophisticated assessment technique including discounted cash flow for the investor or hotel owner to make a decision. (Cushman & Macmellan, 2002)

16. Consulting in Accounting

17. Consulting in Corporate Social Responsibility: The services include:

- A. Environmental consulting
- B. Consulting on social role and responsibility

18. IT Consulting: The services provided are as follows:

A. For existing hospitality properties: The services include as follows:
(<http://www.warnerconsultinggroup.com/consulting/warnerservices.html>)

- Bill Audit/Reviews
- ICT Inventory Management
- Product Evaluations which include voice, bandwidth, high speed internet network, wireless hot-spots, business center, video on demand (VOD), free to guest TV (HDTV), cellular service, POS, PMS, emerging technologies (RFID, VOIP),

wiring infrastructure (voice/data/coax).

- Project implementation which include single site implementation and multi site implementation.
- Equipment Audits which include voice equipment and network equipment
- Administration services such as back office network, WAN, Frame, MPLS, ATM.
- Emerging products/services such as link load balancing, bandwidth management, network management, VOIP and HDTV.

B. Development Projects: Consulting company will project manage vendors selection for services such as:

- Voice/data/coax cable
- Free to guest (Cable TV, IPTV, Satellite TV)
- Video on demand (In room movies or on demand media)
- High speed internet access
- Room Technology (Televisions, energy management, VOIP, media service etc)
- Phone system (PBX, call accounting, voice mail, room phones etc)
- PMS
- POS
- Cellular service

C. Project Management Service: The services include writing, distributing and evaluating the proposals (RFPs) for voice and data services and insure the quality of the installation is met, the vendor exceeds expectations, and the timeline meets the needs of the project. Project Management includes:

- Hotel needs assessment
- RFP composition
- Distribution of RFP to pre-qualified vendors

- Review and analysis of all proposals submitted
- Proposal recap and recommendations
- Final vendor negotiations
- Implementation and project management

1.2.6 Consulting in SMEs

There is a significant difference among small and large firms concerning the frequency in which they use management consultants: while 72% of large firms have used management consultants, only 33 % for small firm in a two year perspective (Erhvervsfremme Styrelsen, 1999 cited in Christensen and Klyver, 2006). Storey (1994) also stated that amongst all the small business population as whole, the usage of consultancy is low while Kubr (2002) stated that the use of consultants by small enterprises is now an established trend in the business. Erhvervsfremme Styrelsen (1999 cited in Christensen and Klyver, 2006) emphasized that small to medium sized enterprises (SMEs) often have less routine in their use of professional consultants. In other studies, the gap of frequency is explained by substitution effects, hinting at the use of informal management advice through family members, colleagues and friends as well as formalized exchange of advice with those partners involved in the running of daily business such as suppliers, customers, banks and accountants (Johannisson and Lindmark, 1996 cited in Christensen and Klyver, 2006). This is also supported by the results of Kailer and Scheff (1999) which stated that almost half of the SMEs name suppliers, Chamber of commerce, other companies and banks as their know-how partners.

Small firms are in numerous contributions seen to be in need of management consulting, yet most studies find they are low frequency users (Stevenson and Sahlman, 1988). However a research by Frank (1985) in SMEs showed that 67% of small business owners in upper Austria have already called in a management consultants and 51% of them have used technology consultation. In addition, 81% of small business owners had also call upon tax advisor and only 27% of them have never called a lawyer. Similarly, Lachnit and Mueller (1993, cited in Kailer and Scheff, 1998) also stated that the most important co-operation partner in the know-how area for SMEs is tax consultants.

In addition, Storey (1994) based on research in Great Britain stated that results did not prove that support from advisors made the small firm better off and Christensen, Pedersen, Jacobsen (1989, cited in Christensen and Klyver, 2006) mentioned that in some cases there were indications that small firms were better off without advice at all. In contrast, Kubr (2002) stated that studies have shown that small business owners who have used consultants have obtained the following benefits:

- € An independent professional viewpoint
- € An overall company check up and expert evaluation
- € A fresh perspective on marketing and marketing development
- € Ideas for coping with growth
- € Training for managers and staff which otherwise would not have taken place
- € Help in developing a strategic approach

Owners were also found to be in favor of consultants than the managers. This is evident from the results in the study of Frank (1985) which revealed that when owner is the sole decision maker, 67% have called in management consultants while when others are involved in the decision making process, the frequency is much lower (32%). In Taiwan, it was also found that owners were in favor of consultants whereas managers who did not own the business were much more reluctant (Chen, Sun, Helms and Jih, 2008). This is mainly because with the owners, the consultants were more friend-like but the managers distrusted them as they thought they may be replaced by them or that the consultants just applied the latest management fad to the business (Chen et al., 2008).

1.2.6.1 Consulting Needs in SMEs

The small enterprises need for information and advice are tremendous and continue to grow because of the increasingly complex institutional setting and difficult business environment of most countries (Kubr, 2002). Small enterprises owners are usually unable to allocate sufficient time and resources to keep abreast of developments and to take a detached critical look at their business from time to time (Kubr, 2002). This is evident from the results of the interviews in German SMEs which revealed that only 14% of them do not need the support of

external consultants while 86% are looking for the support of consultant in special issues (Siegemund, 2008).

Siegemund (2008) indicated that the fields of expertise offered by consultants which were regularly demanded by SMEs according to his studies of literature are in the areas of strategy, succession, administration or organization, information technology, knowledge management, marketing and sales, mergers and acquisitions, research and development, logistics and re-engineering. He added that one of the substantial issues for consulting could be found in the area of general management: strategy. However Frank (1985) reported that the most frequent problems to be solved by consultants in his results are accounting and cost-accounting problems (28%), marketing problems (11%), data processing problems (9%), organizational problem (7%) and strategic problem (7%).

1.2.6.2 Role of Consultants in SMEs

Consultants who are dealing with SMEs need to be of a generalist rather than a specialist (Siegemund, 2008 and Kubr, 2002). They should be professionally trained in problem solving techniques and have considerable experience in management principles as applied to small enterprises. The consultant should keep in mind the total picture and the interdependence of all functions of enterprise (Siegemund, 2008) and of prime importance is the knowledge of the interaction of the functions of the small enterprise, since change in one function usually has immediate repercussion on others (Kubr, 2002). Siegemund (2008) added that its structure is relatively fragile with limited internal resources to handle its problems.

Loxley and Page (2001) explicitly state that SMEs require a distinctively different approach from consultants to that which would be used with large companies. Loxley and Page (2001) argued that a fundamental difference between consulting for SMEs is that rather than being project based and a kind of one hit wonder as with large firms, SMEs prefer sustained support, almost like having a trusted advisor on hand to discuss issues. They added that in SMEs, consultants rely a little less on analytical skills. Consultants need to shed some assumptions, suspend judgments, consultants help the director of an SMEs to think through issues for themselves and engage in their thought process and together, produce solutions that consultants then support in implementing.

1.2.6.3 Criteria for Selection of Consultants/Consulting Companies

In selecting consultants SMEs need to identify a number of possible consultants. SMEs select external know-how providers which include consulting companies/consultants, training institutions and research institution (in descending order to frequency) by using recommendations from other companies, using recommendations of tax consultants, asking Chamber of Commerce, first approach to company at trade fairs, first approach to company by providers, reading technical journals or publications of providers, looking through brochures, inviting providers into the company to give presentation, using recommendations of banks, approach by providers which have already worked in the company and searching in provider lists and databanks (Kailer and Scheff, 1999). Recommendations of the informal network such as friends, colleagues were also used to in selection process (ibid).

Once they have identified possible consultants, they apply these selection criteria to choose one of the best consultants. Kailer and Scheff (1999) showed that the top nineteen selection criteria of SMEs for external know-how providers which include consulting companies/consultants, training institutions and research institution which were (in descending order of frequency) good price value relationship, technical knowledge of the provider, good previous experience so far, image of the provider, references, broad offering, flexible time scheduling, participation in implementing the solution, financial support (subsidies), low fee, success-related payment, closeness (local to the company), independence of the provider, length of the consulting/training period, international experience of the provider, possibility to intervene in activities, exam needed to work as consultant and lastly academic reputation. Caudrado (1986, cited in Soriano, Roig, Sanchis and Torcal, 2002) claimed that factors regarding quality and the cost were the most relevant factors when it came to engaging consulting services. Cost is of more of concern for small organizations (Rebollo, 1993; cited in Soriano et al., 2002). Similarly, Kubr (1993) provides a list of factors that influence the criteria used in selecting an adviser and one important one is the cost of the work. Frank (1985) added that the aspect concerning the selection of consultants might be reputation which is generally associated with certain groups of consultants especially tax advisors. Consistently, Aharoni (1997) also states that reputation is a very important intangible asset for consultants, since the market for consultants is virtually unregulated, an affiliation with some governing association is not mandatory to conduct business,

and a consultant does not need to be licensed and therefore qualifications are not easy to determined.

1.2.6.4 Reluctance of SMEs to Use Consultants

Kubr (2002) has outlined the reasons many SMEs managers are reluctant to use outside consultants as follows:

☒ SMEs believe that only large enterprises can afford the consulting fees charged.

☒ In many instances, consultants will not have practical experience in the type of business needing assistance.

☒ Managers are reluctant to provide internal facts and figures of the company (Kubr, 2002 and Siegemund, 2008).

☒ Identification of a competent consultant is difficult and time-consuming, as most managers have little previous contact with consultants (Kubr, 2002 and Siegemund, 2008).

☒ There is shortage of female consultants in developing countries with whom female entrepreneurs may feel more comfortable sharing their problems.

☒ Using a consultant may be viewed by the manager as lack of competence.

Siegemund (2008) also added the reason that very often the actual situation of SMEs or its relevance for the future is unclear or not noticed and decision makers realize the central issue too late. Monsted and Fredens (1995, cited in Christensen and Klyver, 2006) in their discussions of contrasting views between SMEs and advisors found that small firm owners often find that consulting services are too expensive, the services provided do not live up to expected professional standards and the consultants have a lack of insight into the specific situation and context of small firm. Empirical research results also show that small business owners are very cost sensitive with respect to consultants and 25% of SMEs owners have negative experiences with consultants, perceive a lack of qualification of consultant or generally reject consultants and nearly 20% are afraid that consultants will pass on economic data to competitors (Frank, 1985). In addition, research conducted by Christensen and Klyver (2006) revealed that clients often expressed that consultants lack the specific experience with the firm and with the context it operates in.

1.3 Aim and Objectives of this Study

The aim of this study is to investigate the consulting needs of small and medium-sized (SM) independent hotels in Thailand.

Objectives of the Study:

1. To identify the challenges facing SM independent hotels in Thailand.
2. To investigate the consulting experiences and consulting needs of SM independent hotels in Thailand.
3. To provide recommendations for assisting SM independent hotels in overcoming their challenges through more appropriate consulting, training and practices.

1.4 Significance of the Study

1. This study has identified the critical challenges faced by SM independent hotels which will help government organizations to tailor-make their plans to support them.
2. This study may help the existing consulting companies to understand in more details the critical problems of SM independent hotels and can offer their consulting services more effectively.
3. The study has contributed to fill in the gaps of literature in the areas of challenges facing SM independent hotels in Thailand as well as their consulting experiences and consulting needs.
4. The results of this study also contribute to lessen the risk of drifting between supply and demand of consulting services.

1.5 Scope of the Study

1.5.1 Scope of Area:

This research has limited the areas to investigate the challenges, consulting experiences and consulting needs of SM independent hotels in Bangkok and Phuket only. Hotels in Bangkok and Phuket were taken for the study as these places are the two major revenue earners in the tourism industry of the country (OTD, 2008).

1.5.2 Scope of Time:

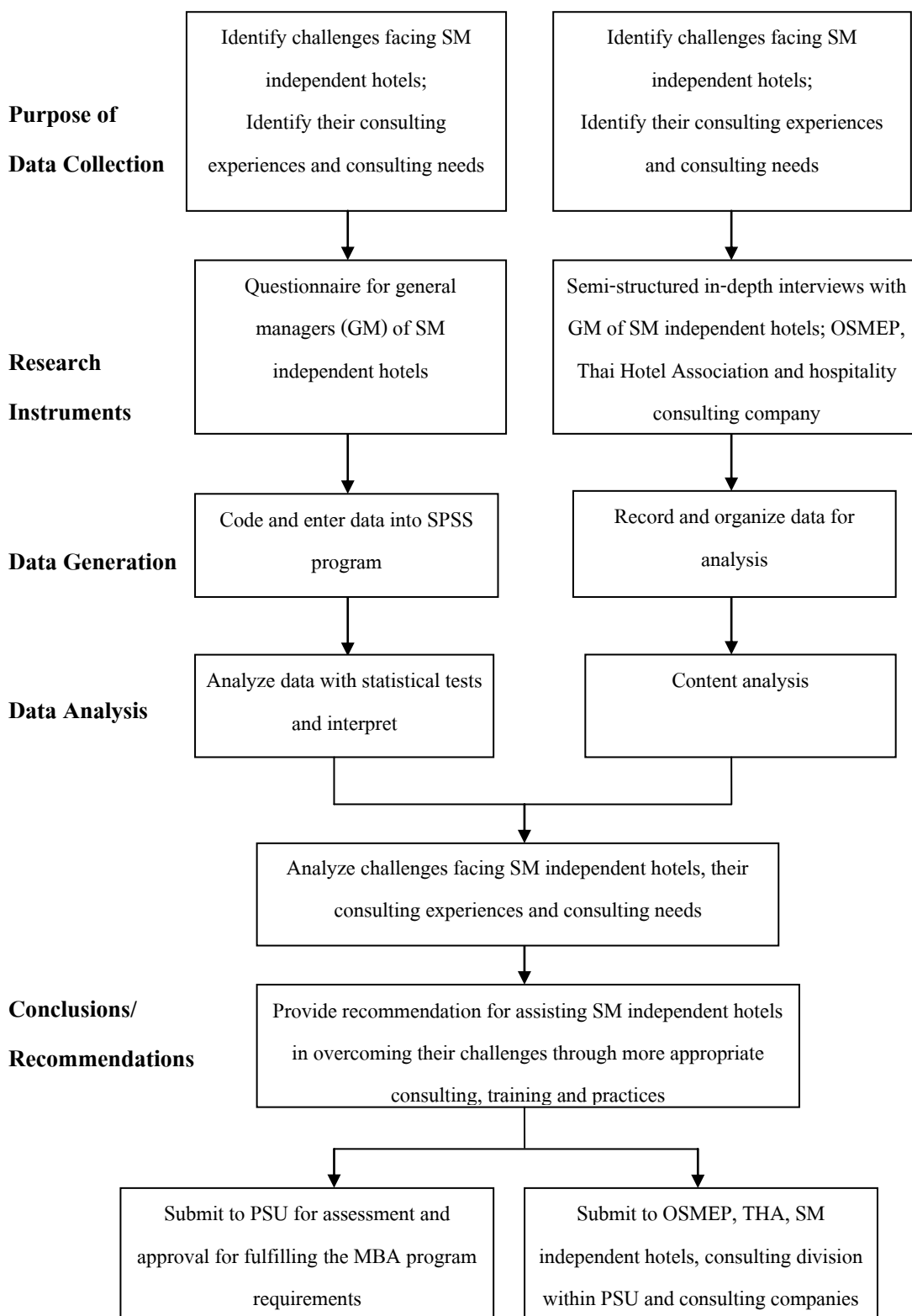
The study period was from September 2009 to July 2010. The questionnaires were sent to General Managers/Owners identified by the directory of Tourism Authority of Thailand (TAT). In-depth interviews with general managers, OSMEP, THA and consultant were conducted in February 2010.

1.6 Definition of Key Terms

1.6.1 Small and medium-sized (SM) independent hotels: For this research, SM independent hotels are non-chain affiliated hotels from 5 – 200 rooms.

1.6.2 Hospitality consulting refers to the provision of professional advisory service by independent and qualified individuals or firms to hospitality companies (which include hotels) in assisting managers and organizations to achieve organizational purposes & objectives by solving management and business problems, identifying and seizing new opportunities, enhancing learning and implementing changes.

1.7 Research Flow Chart



CHAPTER 2

METHODOLOGY

This is a mixed methods research that focuses on the objectives of identifying challenges facing small and medium-sized hotels as well consulting experiences and consulting needs of these hotels. The study has included five target groups which are small and medium-sized independent hotels, the Office of Small and Medium Enterprise Promotion (OSMEP), the Thai Hotel Association (THA), SMEs Banks and Hospitality consulting companies. The reasons for including the latter four groups were that the researcher would like to find out answers from different perspectives that complement one another.

2.1 Target Population, sampling group and sampling method

2.1.1 Target Population

The five target groups involved in this study are as follows:

Group 1: Small and Medium-sized Independent Hotels in Bangkok and Phuket: Small and medium-sized independent hotels are hotels with 5 – 200 rooms, which are non-chain affiliated hotels. Hotels in Bangkok and Phuket were selected for the study as these destinations are the two major revenue earners in the tourism industry of the country (OTD, 2008).

As there is no statistics published which identifies the total number of SM hotels in Thailand, the population was drawn from the directory of the Tourism of Authority of Thailand (www.tourismthailand.org) which was retrieved in September 2009; only hotels and resorts were selected from this database, excluding other accommodations such as guesthouses, bungalows and hostels. In Bangkok, 171 small and medium-sized independent hotels and resorts were identified and in Phuket, 372 small and medium-sized independent hotels and resorts were identified. So the total of SM independent hotels and resorts were 543 hotels.

Group 2: The Office of Small and Medium Enterprises Promotion (OSMEP)

Group 3: Thai Hotel Association (THA)

Group 4: SMEs Banks

Group 5: Hospitality Consulting Companies

2.1.2 Sampling Group

Group 1: SM Independent Hotels

A census method was used to target the total population of 543 SM independent hotels in Phuket and Bangkok. The census method was selected due to expected low response rate, partly due to the fact that the respondents were expected to be the general managers or owners of the hotels. Indeed, only 68 usable questionnaires were returned, representing 12.5% response rate.

Group 2: The Office of Small and Medium Enterprises Promotion (OSMEP): The manager of OSMEP was targeted for the interview.

Group 3: Thai Hotel Association (THA): One of the committee members of THA was targeted for the interview.

Group 4: SMEs Banks: SMEs unit at Kasikorn Bank was selected because during the interviews most of the respondents mentioned the help or consultation they get from this particular bank.

Group 5: Hospitality Consulting Company: C9 Hotelworks was selected because of its well-publicized regular periodical reports on the hospitality industry in Thailand and Asia-Pacific.

2.1.3 Sampling Method

As there are 5 groups of target population, three sampling methods were used as follows:

Group 1: SM Independent Hotels

Census was used for the SM independent hotels population as the questionnaire needed to be filled out by the general manager or the owner therefore researcher expected low response rate. A total of 543 questionnaires were sent via post to all the SM independent hotels in Bangkok and Phuket in December 2009 where general managers or owners were requested to complete and return questionnaire in a prepaid envelope. Due to low response rate in January

2010 reminder letters with questionnaires were sent again and a follow up call was made. This resulted in 68 usable questionnaires which represents about 12.5% response rate.

Convenience sampling method was used to conduct ten semi-structured in-depth face to face interviews with general managers/owners of SM independent hotels. These interviews were aimed at filling the possible information gap caused by the low response rate to the questionnaires. Five interviews were conducted in Bangkok and five in Phuket. As the data started to saturate interviews were stopped.

Group 2: The Office of Small and Medium Enterprises Promotion (OSMEP)

Group 3: Thai Hotel Association

Group 4: SMEs Banks

A purposive sampling method was used to conduct semi-structured in-depth face to face interview with one of the SMEs unit manager of Kasikorn Bank; this bank was selected because during the interviews most of the respondents mentioned the help or consultations they get from this bank.

Group 5: Hospitality Consulting Company

A convenience sampling method was used to conduct semi-structured in-depth face to face interview with the managing director of the C9 Hotelworks, which is arguably the most active consulting company in Phuket, where the researcher is based.

2.2 Type of Research:

This is an exploratory research, which combines a quantitative and qualitative study, thus employing mixed methods. The reasons for employing both quantitative and qualitative methods are that they provide complementary results; in addition, initial interviews helped to refine the questionnaires. Triangulation of the research findings was another reason for employing both methods (e.g., Bryman, 2006)

2.2.1 Quantitative

Quantitative data was collected using one type of questionnaire for small and medium-sized independent hotels.

2.2.2 Qualitative

Qualitative data was gathered from semi-structured in-depth interviews with general managers of the SM independent hotels in Bangkok and Phuket. Semi-structured in-depth interviews were also conducted with one consultant from a hospitality consulting company, the manager of OSMEP - Southern regions, committee member of THA and unit manager of one SMEs Bank.

2.3 Research instruments

2.3.1 Questionnaire

The questionnaire was used as an instrument to collect primary data from the SM independent hotels in Bangkok and Phuket. The questionnaire was prepared in bilingual version, English and Thai. The questionnaire consisted of 4 pages and combined closed-ended questions and open-ended questions. The closed-ended questions had yes-no questions and multiple-choice questions. A 5 point numerical scale is used to ask the respondents about the level of challenges, anchored by 1 (very low) and 5 (very high).

The questionnaire consisted of 3 parts:

Part 1: Hotel Characteristics

Part 2: Challenges faced

Part 3: Experience with, and needs for consulting services

2.3.2 Semi-structured Interviews

Group 1: Semi-structured In-depth Interviews: The semi-structured in-depth interviews were conducted with 5 general managers from Bangkok and 5 from Phuket. The interviews consisted of some guideline questions to ask the respondents and other questions depended on the interview.

The main topics covered include:

1. The key challenges facing the hotel in its overall management
2. Consulting experiences.
3. Need for consulting services.
4. Reasons for reluctance to use consulting services.
5. Suggestions on the need for consulting services.

Group 2: The Office of Small and Medium Enterprises Promotion: A semi-structured in-depth interview was conducted with the manager of OSMEP in Southern regions.

The main topics covered include:

1. Support and consulting OSMEP gives to SM hotels
2. Problems and challenges faced by SM hotels
3. Government support needs by SM hotels
4. Consulting needs by SM hotels

Group 3: Thai Hotel Association: A semi-structured interview was conducted with one of the committee members of THA

The main topics covered include:

1. Type of hotels that can be member of THA
2. Support and consulting they give to SM hotels
3. Problems and challenges faced by SM hotels
4. Government support needs by SM hotels
5. Consulting needs by SM hotels

Group 4: SMEs Banks: A semi-structured in-depth interview was conducted with one unit manager of SME bank.

The main topics covered include:

1. Support and consulting they give to SM hotels
2. Problems and challenges faced by SM hotels
3. Government support needs by SM hotels
4. Consulting needs by SM hotels

Group 5: Hospitality Consulting Company: A semi-structured in-depth interview was conducted with one consultant from the most active hospitality consulting company in Phuket.

The main topics covered include:

1. Problems faced by hotels in Thailand
2. Problems faced by SM hotels
3. Possible solutions to those problems

4. Consulting services they normally take
5. Consulting services you normally provide
6. Their needs for consulting
7. Other recommendations

2.4 Data Collection

2.4.1 Primary Data

The main data were from a survey collected from five different target groups through questionnaires and semi-structured in-depth interviews.

2.4.2 Secondary Data

The data were collected from the Office of Small and Medium Enterprises Promotion (OSMEP), related research, books, journals papers, articles and internet websites.

2.5 Data Analysis

Questionnaire: After collecting primary data from the targeted population through questionnaire, data were coded, computed and analyzed by the Statistical Package for Social Science (SPSS) version 16. The researcher used descriptive statistics, the independent sample t-test and One Way Analysis of Variance (ANOVA). Each section of the questionnaire was analysed with proper statistic tools to analyze the data.

Independent sample t-test was used for comparing the difference between variables which are independent from each other. It was used to compare differences in the level of challenges between Bangkok and Phuket. Interpretation was analyzed at 95% confidence level with 5 % significance.

One way ANOVA was used to analyze independent variables that have more than two sub variables. It was used to compare the means differences between the levels of challenges faced by hotels with different staff number, room number and star levels. Interpretation was analyzed at 95% of confidence level with 5 % significance. Post-hoc comparison using LSD test was further employed to find the differences between groups.

Five point numerical scales were used to assess the level of challenges faced by respondents.

1. Very Low
2. Low
3. Medium
4. High
5. Very High

For data analysis, five interval levels of importance were calculated as follows:

$$\begin{aligned} \text{The interval width} &= \frac{\text{Maximum} - \text{Minimum}}{n} \\ &= \frac{5 - 1}{5} \\ &= 0.80 \end{aligned}$$

Therefore, the researcher constructed the level of challenges as follows:

Mean	Level of Challenges
1.00 -1.80	Very Low
1.81-2.60	Low
2.61-3.40	Medium
3.41-4.20	High
4.21-5.00	Very High

Semi-structured Interviews and Open-ended Questions: Content analysis was employed in which the content was read and re-read to get the common themes for the open-ended questions in the questionnaires as well as the in-depth interviews conducted with general managers from SM independent hotels as well as for OSMEP, THA, SMEs Bank and the hospitality consulting company.

2.6 Pretest of the Survey Instrument

The questionnaire was pretested with five general managers of SM independent hotels in Phuket in order to strengthen its validity. Based on the feedback received from the pretest, the questionnaire was modified.

CHAPTER 3

RESULTS

This chapter focuses on the results of the quantitative and qualitative surveys of this study. The quantitative data is derived from the questionnaire filled out by general managers or owners of SM independent hotels. The questionnaire had 3 sections: hotel characteristics, challenges faced and need for consulting services. The results are presented and illustrated through tables and figures. The collected data were analyzed by software package SPSS version 16. Data were analyzed by using descriptive statistics, One-Way ANOVA and Independent sample t-test. Reliability test, Cronbach's Alpha, was also employed to determine the internal consistency or average correlation of the factors. For the challenges, the results showed that five out of the eight correlation coefficients were above 0.7, seven were above 0.6 and one was below 0.5 while the reliability tests, Cronbach's Alpha for the consulting experiences and consulting needs, the results showed that six out of the six correlation coefficients were above 0.75. Nunnally (1978) has indicated 0.7 or above to be an acceptable reliability coefficient but lower thresholds are sometimes used in the literature.

The analysis of qualitative data, which is derived from open-ended questions in the questionnaire and semi-structured in-depth interviews with general managers of SM independent hotels in Bangkok and Phuket as well as from related officers from OSMEP, THA, SMEs Bank and a consultant, is presented after the quantitative results.

3.1 Quantitative results

3.1.1 Hotel Characteristics

Hotel Characteristics was analyzed using frequencies, percentages and means. This section includes the province of the hotel, number of rooms of the hotel, number of staffs of the hotel, year in which the hotel was opened, hotel classification and the current position of the respondent (table 3.1)

The respondent hotels were from Phuket (70.6%) and from Bangkok (29.4%). The majority of SM independent hotels were holding between 1-50 rooms (35.3%) and 51-100 rooms

(35.3%) followed by 101-150 rooms (16.2%) and 151-200 rooms (13.2%). The mean number of rooms was 82.65.

With regard to the number of staffs, the mean calculated was 62.72 staffs. The results illustrated at the table 3.1 indicates that the majority of SM independent hotels hold between 1-50 staffs (52.9%) followed by 51-100 staffs (26.5%); 101-150 staffs (14.7%) and 151-200 staffs and more than 200 staffs with only 2.9%.

In terms of the years of operations, SM independent hotels had operated between 1-5 years (33.8%), 6-10 years (29.4%), 11-15 years (13.3%), 16-20 years (11.7%) and 21-25 years and over 25 years with 5.9% accordingly. The mean years of operation of the hotels was 10.37.

In terms of hotel classification, the options given for this question were from one star to five stars, and others. The majority of the respondent hotels are classified as three stars, representing 52.9% of the respondents, followed by 2 stars and 4 stars, representing the same percentage with 13.2%; five stars and one star representing 7.4% and others representing 5.9%. The others include boutique hotels, training hotels and not sure. However, the comparison between hotel stars should not include others as it may be unreliable due to overlapping.

With respect to the current position of the respondents who filled out the questionnaire, the results illustrated at table 3.1 show that general managers represent the majority (67.7%), followed by owner respondent (13.2%), family member of the owner (11.8%) and others which include resident manager, assistant to managing director, assistant manager, human resource manager, sales manager (7.3%).

Table 3.1 Hotel characteristics

Hotel Characteristics		Frequency	Percentage	Mean
Provinces	Phuket	48	70.6	
	Bangkok	20	29.4	
	Total	68	100	
No. of rooms	1-50	24	35.3	
	51-100	24	35.3	
	101-150	11	16.2	82.65
	151-200	9	13.2	
	Total	68	100	

Table 3.1 (Continue)

Hotel Characteristics		Frequency	Percentage	Mean
No. of staffs	1-50	36	52.9	62.72
	51-100	18	26.5	
	101-150	10	14.7	
	151-200	2	2.9	
	More than 200	2	2.9	
	Total	68	100	
Years Of Operations	1-5	23	33.8	10.37
	6-10	20	29.4	
	11-15	9	13.3	
	16-20	8	11.7	
	21-25	4	5.9	
	Over 25 years	4	5.9	
	Total	68	100	
Hotel Classification	1 Star	5	7.4	3.18
	2 Stars	9	13.2	
	3 Stars	36	52.9	
	4 Stars	9	13.2	
	5 Stars	5	7.4	
	Others	4	5.9	
	Total	68	100	
Others include boutique hotels, training hotel and not sure.				
Respondent's position	Owner	9	13.2	
	Family member of owner	8	11.8	
	General Manager	38	67.7	
	Others	5	7.3	
	Total	68	100	
Others include resident managers, assistant to managing director, assistant manager, human resource manager and sales manager.				

3.1.2 Challenges faced by SM independent hotels

The results of the study as shown in table 3.2 revealed that respondents rated only “economic uncertainty” as a high-level challenge (mean = 3.88) while other factors were rated as challenging at intermediate level. The ranking of the factors starting with the most challenging ones were “economic uncertainty”, “sales and marketing management”, “strategic planning”,

“crisis management planning”, “human resource management”, “ICT adoption”, “corporate social responsibility”, “operations management”, “financial issues” and lastly “legal matters”. However within individual factors, individual challenges were found to be a challenge at high level. Within “sales and marketing management” (mean = 3.31), respondents indicated “maintaining competitive advantage” (mean = 3.62, where 55.9% rated it as high or very high-level challenge), “differentiating products & services” (mean = 3.47, where 53.0% rated it as high or very high-level challenge) and “track changing customers needs” (mean = 3.51, where 52.9% indicated as high or very high-level challenge) as highly challenging. Within “strategic planning” (mean=3.30), respondents rated “planning strategically in a competitive environment” (mean = 3.56, where more than 50% indicated as high or very high level challenge) as a high-level challenge. Following this, “Crisis Management Planning” (mean = 3.29 which is a medium-level challenge) is viewed as a challenge at high level or very high level challenge by 39.7%.

Also considered challenging at intermediate level is “human resources management” (mean = 3.24), where within this respondents indicated “attracting skilled employees” (mean=3.49) as a high-level challenge. 80.9% rated “training employees” (mean = 3.29 which is a medium-level challenge) as a medium or highly challenging; 70.6% and 67.7% also rated “finding Executives” (mean = 3.24) and “high staff turnover” (mean=2.93) as a medium or high-level challenge. “ICT adoption” which includes e-marketing (mean=3.26) under “ICT adoption” (mean = 3.20, a medium-level challenge) is a challenge in which 36.8% rated it either high or very high-level. “Reducing the use of energy” (mean=3.22) under “corporate social responsibility” (mean = 3.18) is viewed as a challenge at very high level by only 4.4% while challenging at high level by 29.4%. Within “operations management” (mean = 3.14) which is also challenging at intermediate level, more than 70% of general managers rated “benchmarking the operations” (mean = 3.28) and “food and beverage management” (mean = 3.22) as medium or high-level challenge.

Financial Issues (mean = 2.97) was rated by general managers at relatively lower concerns as compared to the top mentioned challenges, however they still present a challenge at intermediate level. Under financial issues “managing cash flows” (mean = 3.06) presents the top challenge followed by “limited capital and resources (mean = 2.97) and “access to finance” (mean

= 2.87). Legal matters (mean = 2.77) received the lowest mean for the challenges faced by the respondents.

Table 3.2 Challenges faced by SM independent hotels

Factors	V. Low %	Low %	Medium %	High %	V.High %	Mean	Level of challenges
Economic uncertainty	4.4	1.5	27.9	33.8	32.4	3.88	High
Sales & Marketing Management (0.83)*						3.31	Medium
Maintaining competitive advantage	1.5	10.3	32.4	36.8	19.1	3.62	High
Track changing customer needs	1.5	8.8	36.8	42.6	10.3	3.51	High
Differentiating your products & services	2.9	11.8	32.4	41.2	11.8	3.47	High
Customer Relationship Management (CRM)	2.9	16.2	36.8	32.4	11.8	3.34	Medium
Eroding market share	2.9	16.2	36.8	32.4	11.8	3.34	Medium
Understanding customer needs	5.9	7.4	45.6	30.9	10.3	3.32	Medium
Implementing Revenue or yield management	-	19.1	35.3	39.7	5.9	3.32	Medium
Planning sales strategy	2.9	14.7	42.6	29.4	10.3	3.29	Medium
Declining Revenue per available room	7.4	20.6	35.3	26.5	10.3	3.12	Medium
Insufficient marketing support	2.9	26.5	38.2	25.0	7.4	3.07	Medium
Insufficient distribution channels	2.9	25.0	44.1	22.1	5.9	3.03	Medium
Strategic Planning (0.72)						3.30	Medium
Planning strategically in competitive environment	2.9	7.4	38.2	30.9	20.6	3.56	High
Insufficient time/ability for strategic planning	5.9	16.2	52.9	17.6	7.4	3.04	Medium
Crisis Management Planning	1.5	13.2	45.6	33.8	5.9	3.29	Medium
Human Resource Management (HRM, 0.47)						3.24	Medium
Attracting skilled employees	-	8.8	38.2	48.5	4.4	3.49	High
Training employees	-	13.2	50.0	30.9	5.9	3.29	Medium
Finding executives	2.9	19.1	36.8	33.8	7.4	3.24	Medium
High staff turnover	4.4	25.0	47.1	20.6	2.9	2.93	Medium
ICT Adoption (0.64)						3.20	Medium
Information & Communication Technology (ICT) adoption (website, e-marketing etc)	1.5	11.8	50.0	32.4	4.4	3.26	Medium
Using search engine optimization (SEO)	5.9	16.2	39.7	26.5	11.8	3.22	Medium
Limited IT skilled employees	4.4	23.5	38.2	25.0	8.8	3.10	Medium

Table 3.2 (Continued)

Factors	V.Low %	Low %	Medium %	High %	V.High %	Mean	Level of challenges
Corporate Social Responsibility (0.63)						3.18	Medium
Reducing the use of energy	2.9	10.3	52.9	29.4	4.4	3.22	Medium
Being socially responsible to the community	5.9	11.8	48.5	30.9	2.9	3.13	Medium
Operations Management (0.70)						3.14	Medium
Benchmarking your operations	-	17.6	47.1	25.0	10.3	3.28	medium
F&B Management & Operations	4.4	14.7	42.6	30.9	7.4	3.22	Medium
Housekeeping Management & Operations	1.5	16.2	47.1	29.4	5.9	3.22	Medium
Front Office Management & Operations	2.9	16.2	44.1	30.9	5.9	3.21	Medium
High operating cost	2.9	16.2	41.2	36.8	2.9	3.21	Medium
Inconsistency in service delivery	5.9	25.0	39.7	26.5	2.9	2.96	Medium
Inadequate bargaining power	10.3	22.1	38.2	25.0	4.4	2.91	Medium
Financial Issues (0.88)						2.97	Medium
Managing cash flows	5.9	17.6	47.1	23.5	5.9	3.06	Medium
Limited capital and resources	8.8	19.1	45.6	19.1	7.4	2.97	Medium
Access to finance	13.2	16.2	47.1	17.6	5.9	2.87	Medium
Legal Matters (0.85)						2.77	Medium
Complying with environmental laws	11.8	14.7	47.1	22.1	4.4	2.93	Medium
Managing taxes	13.2	22.1	44.1	19.1	1.5	2.74	Medium
Dealing with legal matters	14.7	23.5	42.6	19.1	-	2.66	Medium

*Reliability score (Cronbach's Alpha) for each heading is shown in parentheses.

An independent sample t-test and one-way ANOVA test for differences in the level of challenges of hotels with different characteristics.

An independent sample t-test and One-way ANOVA are used to investigate mean score differences in the level of challenges/problems faced among hotels with different characteristics (e.g. provinces, hotel classification, number of staffs, and number of rooms of the hotel). The t-test is used to investigate whether the means of two groups are statistically different from each other whereas ANOVA is used to establish the statistically significant differences in means across different groups. The results are interpreted at 5% level of significance, where the $p < 0.05$ is considered as significant and $p < 0.01$ is considered as highly significant.

The test was conducted to identify the differences in the challenges faced by Phuket and Bangkok hotels. These differences are expected to derive from the different environment in which these hotels operate (Bangkok hotels have been more exposed to political instability protests and travel advisories) and the fact that most hotels in Phuket are resort hotels and in Bangkok are city hotels.

The results in Table 3.3 show that there are statistically significant differences with the level of challenges in “operations management”, “sales and marketing management”, “ICT adoption”, “strategic planning” and “crisis management planning” among hotels in Phuket and Bangkok. General Managers in Bangkok perceived “operations management” (mean=3.41), “sales and marketing management” (mean = 3.62), “ICT adoption” (mean = 3.57), “strategic planning” (mean =3.75) and “crisis management planning” (mean = 3.75) more challenging than general managers in Phuket.

Table 3.3 Independent sample t-test for differences in the level of challenges between provinces

Factors	Means		t-test	
	Phuket (N=48)	Bangkok (N=20)	t-stat.	p-value
Human Resource Management (0.47)*	3.21	3.29	-.535	.594
Attracting skilled employees	3.52	3.40	.625	.534
Training employees	3.31	3.25	.301	.764
Finding executives	3.10	3.55	-1.796	.077
High staff turnover	2.92	2.95	-.172	.864
Operations Management(0.70)	3.03	3.41	-2.708	.009*
Front Office Management & Operations	3.15	3.35	-.860	.393
F&B Management & Operations	3.10	3.50	-1.594	.116
Housekeeping Management & Operations	3.17	3.35	-.814	.418
Inadequate bargaining power	2.81	3.15	-1.233	.222
Rising operating cost	3.10	3.45	-1.533	.130
Benchmarking your operations	3.15	3.60	-1.985	.051
Inconsistency in service delivery	2.75	3.45	-2.965	.004*
Sales & Marketing Management(0.83)	3.18	3.62	-3.028	.004*
Customer Relationship Management	3.33	3.35	-.063	.950

Table 3.3 (Continued)

Factors	Means		t-test	
	Phuket (N=48)	Bangkok (N=20)	t-stat.	p-value
Understanding customer needs	3.25	3.50	-.969	.336
Track changing customer needs	3.42	3.75	-1.478	.144
Insufficient marketing support	2.89	3.50	-2.433	.018*
Insufficient distribution channels	2.87	3.40	-2.221	.030*
Planning Sales strategy	3.17	3.60	-1.745	.086
Differentiating your products & services	3.33	3.80	-1.873	.066
Implementing Revenue or yield management	3.19	3.65	-2.085	.041*
Declining Revenue per available room	2.88	3.70	-3.022	.004*
Maintaining competitive advantage	3.48	3.95	-1.872	.066
Eroding market share	3.21	3.65	-1.706	.093
ICT Adoption (0.64)	3.04	3.57	-2.867	.006*
ICT adoption (website, e-marketing etc)	3.21	3.40	-.917	.363
Limited IT skilled employees	2.83	3.75	-3.725	.000**
Using search engine optimization (SEO)	3.08	3.55	-1.695	.095
Strategic Planning (0.72)	3.13	3.75	-2.857	.006*
Insufficient time/ability for strategic planning	2.88	3.45	-2.384	.020*
Planning strategically in competitive environment	3.40	4.05	-2.569	.012*
Financial Issues (0.88)	2.91	3.10	-.791	.432
Managing cash flows	3.00	3.20	-.793	.430
Access to finance	2.81	3.00	-.668	.506
Limited capital and resources	2.92	3.10	-.671	.504
Legal Matters (0.85)	2.79	2.73	.255	.799
Managing taxes	2.79	2.60	.739	.463
Dealing with legal matters	2.71	2.55	.619	.538
Complying with environmental laws	2.87	3.05	-.647	.520
Corporate Social Responsibility (0.63)	3.14	3.28	-.724	.471
Reducing the use of energy	3.17	3.35	-.851	.398
Being socially responsible to the community	3.10	3.20	-.407	.685
Economic uncertainty	3.77	4.15	-1.393	.168
Crisis Management Planning	3.10	3.75	-3.108	.003*

*Reliability score (Cronbach's Alpha) for each heading is shown in parentheses.

Note: * Indicates statistically significant differences at $p \leq 0.05$

** Indicates statistically significant differences at $p \leq 0.01$

The findings from one way ANOVA as shown in the Table 3.4 indicate that there is no statistically significant difference in the level of challenges between hotels with different room number.

Table 3.4 One-Way ANOVA tests for differences in level of challenges between hotels with different room number

Challenges	Means				ANOVA	
	1-50 (N=24)	51-100 (N=24)	101-150 (N=11)	151-200 (N=9)	F-stat.	p-value
Human Resource Management (0.47)*	3.08	3.28	3.27	3.44	1.186	.322
Attracting skilled employees	3.38	3.54	3.45	3.67	.420	.740
Training employees	3.29	3.29	3.27	3.33	.010	.999
Finding executives	3.00	3.45	3.27	3.22	.939	.427
High staff turnover	2.71	2.83	3.09	3.56	2.447	.072
Operations Management (0.70)	2.99	3.27	3.03	3.35	1.674	.182
Front Office Management & Operations	3.08	3.33	3.09	3.33	.427	.734
F&B Management & Operations	2.88	3.42	3.27	3.56	1.878	.142
Housekeeping Management & Operations	3.25	3.13	3.27	3.33	.173	.914
Inadequate bargaining power	2.79	3.04	2.64	3.22	.758	.522
Rising operating cost	3.04	3.38	3.27	3.11	.655	.583
Benchmarking your operations	3.21	3.33	3.00	3.67	1.039	.382
Inconsistency in service delivery	2.71	3.25	2.64	3.22	2.114	.107
Sales & Marketing Management (0.83)	3.14	3.45	3.25	3.48	1.460	.234
Customer Relationship Management	3.33	3.33	3.36	3.33	.003	1.000
Understanding customer needs	3.00	3.67	3.27	3.33	1.991	.124
Track changing customer needs	3.33	3.71	3.27	3.78	1.370	.260
Insufficient marketing support	3.00	3.21	2.91	3.11	.303	.823
Insufficient distribution channels	2.88	3.17	3.09	3.00	.417	.741
Planning Sales strategy	3.13	3.46	3.09	3.56	.888	.452
Differentiating your products & services	3.17	3.58	3.55	3.89	1.562	.207
Implementing Revenue or yield management	3.29	3.38	3.09	3.56	.522	.699
Declining Revenue per available room	3.17	3.21	2.82	3.11	.340	.796
Maintaining competitive advantage	3.33	3.79	3.73	3.78	1.095	.358
Eroding market share	2.96	3.42	3.55	3.89	2.488	.068

Table 3.4 (Continued)

Challenges	Means				ANOVA	
	1-50 (N=24)	51-100 (N=24)	101-150 (N=11)	151-200 (N=9)	F-stat.	p-value
ICT Adoption (0.64)	2.94	3.36	3.15	3.48	1.938	.132
Information & Communication Technology adoption (website, e-marketing, etc.)	3.08	3.29	3.18	3.78	1.826	.151
Limited IT skilled employees	2.79	3.25	3.27	3.33	1.201	.317
Using search engine optimization (SEO)	2.96	3.54	3.00	3.33	1.478	.229
Strategic Planning (0.72)	3.06	3.44	3.50	3.44	1.120	.348
Insufficient time/ability for strategic planning	2.79	3.25	3.18	3.00	1.055	.375
Planning strategically in competitive environment	3.33	3.63	3.82	3.89	1.004	.397
Financial Issues (0.88)	2.86	3.03	2.88	3.19	.347	.792
Managing cash flows	3.04	2.96	3.00	3.44	.597	.620
Access to finance	2.75	2.96	2.91	2.89	.161	.922
Limited capital and resources	2.79	3.17	2.73	3.22	.927	.433
Managing taxes	2.75	2.46	3.27	2.78	1.847	.147
Legal Matters (0.85)	2.76	2.58	3.12	2.89	1.060	.372
Dealing with legal matters	2.67	2.50	2.82	2.89	.485	.694
Complying with environmental laws	2.88	2.79	3.27	3.00	.597	.620
Corporate Social Responsibility (0.63)	3.13	3.10	3.41	3.22	.503	.682
Reducing the use of energy	3.08	3.25	3.36	3.33	.404	.750
Being socially responsible to the community	3.17	2.96	3.45	3.11	.813	.492
Economic uncertainty	3.58	4.04	3.73	4.44	1.919	.135
Crisis Management Planning	3.04	3.33	3.55	3.56	1.419	.245

*Reliability score (Cronbach's alpha) for each heading is shown in parentheses.

One-way ANOVA test indicated that there was only one significant difference in “declining revenue per available room” under “sales and marketing management” challenge among hotels with different staff number [$F(4,67) = 2.784, p = 0.034$].

The result of LSD post hoc test (Table 3.5) showed that hotels with staff 1-50 (mean = 3.194, SD = 1.091), 51-100 (mean = 2.944, SD = 1.056) and 101-150 (mean = 3.70, SD = 0.675) were not statistically different from each other in terms of the importance of “declining revenue

per available room”, but were different from hotels with 151-200 (mean = 2.00, SD = 1.414) and over 200 (mean = 1.50, SD = 0.707).

Table 3.5 One-Way ANOVA tests for differences in the level of challenges between hotels with different staff number

Challenges	Mean					ANOVA	
	1-50 (n=36)	51-100 (N=18)	101-150 (N=10)	151-200 (N=2)	>200 (N=2)	F-stat.	p-value
Human Resource Management (0.47)*	3.17	3.19	3.48	3.50	3.25	.818	.518
Attracting skilled employees	3.42	3.39	3.80	4.00	3.50	.883	.479
Training employees	3.33	3.11	3.30	3.50	4.00	.714	.585
Finding executives	3.14	3.39	3.30	3.50	3.00	.280	.890
High staff turnover	2.81	2.89	3.50	3.00	2.50	1.430	.234
Operations Management (0.70)	3.12	3.13	3.33	3.07	2.85	.444	.776
Front Office Management & Operations	3.25	3.17	3.20	3.00	3.00	.080	.988
F&B Management & Operations	3.06	3.33	3.60	3.50	3.00	.805	.527
Housekeeping Management & Operations	3.33	3.11	3.10	3.50	2.50	.694	.599
Inadequate bargaining power	2.75	3.06	3.50	2.00	2.50	1.650	.173
Rising operating cost	3.17	3.28	3.40	3.00	2.50	.533	.712
Benchmarking your operations	3.33	2.89	3.50	4.00	4.00	1.842	.132
Inconsistency in service delivery	2.94	3.06	3.00	2.50	2.50	.282	.889
Sales & Marketing Management (0.83)	3.35	3.18	3.35	3.64	3.36	.444	.777
Customer Relationship Management	3.31	3.28	3.20	4.00	4.50	.994	.418
Understanding customer needs	3.33	3.33	2.90	4.00	4.50	1.504	.212
Track changing customer needs	3.56	3.39	3.40	4.00	4.00	.470	.758
Insufficient marketing support	3.20	3.00	2.70	3.50	3.00	.626	.646
Insufficient distribution channels	3.19	2.78	2.90	4.00	2.00	1.996	.106
Planning Sales strategy	3.39	2.94	3.40	4.00	3.50	1.038	.395
Differentiating your products & services	3.36	3.50	3.70	3.50	4.00	.407	.803
Implementing Revenue / yield management	3.47	2.89	3.60	3.00	3.50	1.888	.124

Table 3.5 (Continued)

Challenges	Mean					ANOVA	
	1-50 (n=36)	51-100 (N=18)	101-150 (N=10)	151-200 (N=2)	>200 (N=2)	F-stat.	p-value
Declining Revenue per available room	3.19 ad	2.94 acd	3.70 a	2.00 bd	1.50 bc	2.784	.034*
Maintaining competitive advantage	3.58	3.61	3.60	4.00	4.00	.162	.957
Eroding market share	3.25	3.28	3.80	4.00	2.50	1.240	.303
ICT Adoption (0.64)	3.17	3.13	3.33	3.67	3.17	.340	.850
ICT Adoption (website, e-marketing etc.)	3.25	3.00	3.50	4.00	4.00	1.685	.165
Limited IT skilled employees	3.00	3.33	3.10	4.00	2.00	1.347	.263
Using search engine optimization (SEO)	3.25	3.06	3.40	3.00	3.50	.238	.916
Strategic Planning (0.72)	3.31	3.31	3.40	3.50	3.00	.113	.978
Insufficient time/ability for strategic planning	3.11	3.06	2.90	3.00	2.50	.263	.900
Planning strategically in competitive environment	3.50	3.56	3.90	4.00	3.50	.395	.811
Financial Issues (0.88)	3.09	2.61	2.90	3.67	3.50	1.397	.245
Managing cash flows	3.19	2.67	3.10	3.50	3.50	1.198	.320
Access to finance	3.03	2.39	2.80	3.50	4.00	2.039	.100
Limited capital and resources	3.06	2.78	2.80	4.00	3.00	.790	.536
Managing taxes	2.78	2.56	2.70	3.50	3.00	.506	.731
Legal Matters (0.85)	2.81	2.57	2.77	3.67	3.17	.903	.468
Dealing with legal matters	2.67	2.50	2.60	3.50	3.50	.903	.468
Complying with environmental laws	2.97	2.67	3.00	4.00	3.00	.887	.477
Corporate Social Responsibility (0.63)	3.28	2.92	3.15	3.50	3.50	.963	.434
Reducing the use of energy	3.25	3.06	3.40	3.50	3.00	.406	.804
Being socially responsible to community	3.31	2.78	2.90	3.50	4.00	1.931	.116
Economic uncertainty	3.78	3.94	4.10	3.50	4.50	.454	.769
Crisis Management Planning	3.33	3.11	3.40	3.50	3.50	.328	.858

*Reliability score (Cronbach's alpha) for each heading is shown in parentheses.

Note: *Indicates statistically significant differences at $p \leq 0.05$

The results in Table 3.6 from one-way ANOVA test indicated that there is only one statistical significant difference among hotels with different star levels in the factor “insufficient distribution channels”, under “sales and marketing management” challenge [F(5,67)=3.057, p=0.016].

The result of LSD post hoc test showed that hotels with 5 stars (mean= 1.80, SD=.447) perceived “insufficient distribution channel” as the least challenging compared to one-star hotels (mean=3.80, SD = 1.095) two-star hotels (mean= 3.22, SD=.833), three-star hotels (mean=3.03, SD = .845), four-stars hotels (mean = 3.00, SD = 1.00) and other hotels (mean=3.25, SD = .500).

Table 3.6 One-Way ANOVA tests for differences in the level of challenges between hotels with different star levels

Challenges	Mean						ANOVA	
	1 Star	2 Stars	3 Stars	4 Stars	5 Stars	Others	F-stat	p-value
Human Resource Management (0.47)*	2.95	3.11	3.28	3.31	3.30	3.19	.512	.766
Attracting skilled employees	3.80	3.22	3.53	3.67	3.40	3.00	.937	.464
Training employees	3.60	3.22	3.14	3.44	3.60	3.75	.961	.449
Finding executives	2.40	3.11	3.44	3.11	3.20	3.00	1.263	.291
High staff turnover	2.00	2.89	3.03	3.00	3.00	3.00	1.290	.280
Operations Management (0.70)	3.06	3.29	3.12	3.21	2.74	3.50	1.081	.380
Front Office Management & Operations	2.80	3.33	3.25	3.11	2.80	3.75	.776	.571
F&B Management & Operations	2.40	3.44	3.17	3.67	2.80	3.75	1.842	.118
Housekeeping Management & Operations	3.80	3.33	3.08	3.33	2.60	4.00	2.112	.076
Inadequate bargaining power	2.40	2.89	3.08	2.89	2.40	2.75	.695	.629
Rising operating cost	3.60	3.11	3.19	3.56	2.20	3.50	2.188	.067
Benchmarking your operations	3.80	3.78	3.06	3.33	3.40	3.25	1.475	.211
Inconsistency in service delivery	2.60	3.11	3.00	2.56	3.00	3.50	.797	.556
Sales & Marketing Management (0.83)	3.62	3.54	3.25	3.29	2.93	3.48	1.181	.329
Customer Relationship Management	3.60	3.67	3.08	3.56	3.60	3.75	1.052	.396
Understanding customer needs	3.00	3.67	3.28	3.00	3.60	3.75	.777	.576
Track changing customer needs	3.80	3.89	3.36	3.56	3.60	3.50	.686	.636
Insufficient marketing support	3.80	3.22	3.08	2.78	2.60	3.00	1.023	.412

Table 3.6 (Continued)

Challenges	Mean						ANOVA	
	1 Star	2 Stars	3 Stars	4 Stars	5 Stars	Others	F-stat	p-value
Insufficient distribution channels	3.80	3.22	3.03	3.00	1.80	3.25	3.057	.016*
	a	a	a	a	b	a		
Planning Sales strategy	3.20	3.56	3.28	3.44	2.80	3.25	.449	.812
Differentiating your products & services	3.40	3.67	3.47	3.33	3.00	4.00	.590	.707
Implementing revenue management	3.80	3.44	3.28	3.22	3.20	3.25	.401	.846
Declining Revenue per available room	3.80	3.44	3.00	3.22	2.40	3.25	1.117	.361
Maintaining competitive advantage	3.60	4.00	3.61	3.44	3.00	4.00	.873	.505
Eroding market share	4.00	3.22	3.31	3.67	2.60	3.25	1.274	.287
ICT Adoption (0.64)	3.27	3.11	3.23	3.22	2.93	3.25	.178	.970
ICT adoption (website, e-commerce etc.)	3.00	3.33	3.22	3.33	3.40	3.50	.249	.939
Limited IT skilled employees	3.60	2.89	3.19	3.11	2.20	3.25	1.219	.311
Using search engine optimization (SEO)	3.20	3.11	3.28	3.22	3.20	3.00	.072	.996
Strategic Planning (0.72)	3.40	3.28	3.42	3.22	2.80	3.25	.490	.783
Insufficient time/ability for strategic planning	2.80	3.22	3.19	2.67	2.40	3.25	1.132	.353
Planning strategically in competitive environment	4.00	3.33	3.64	3.78	3.20	3.25	.598	.701
Financial Issues (0.88)	2.73	2.93	2.99	2.96	3.07	3.00	.083	.995
Managing cash flows	3.00	2.78	3.11	3.22	3.00	3.00	.232	.947
Access to finance	2.40	3.00	2.83	2.89	3.20	3.00	.321	.892
Limited capital and resources	2.80	3.00	3.03	2.78	3.00	3.00	.110	.990
Managing taxes	3.00	3.11	2.56	2.89	2.60	3.00	.698	.627
Legal Matters (0.85)	2.67	3.00	2.65	3.00	2.73	3.08	.511	.767
Dealing with legal matters	2.60	2.67	2.56	2.78	3.00	3.00	.328	.894
Complying with environmental laws	2.40	3.22	2.83	3.33	2.60	3.25	.959	.450
Corporate Social Responsibility (0.63)	3.20	3.33	3.13	3.39	2.60	3.50	1.085	.378
Reducing the use of energy	3.00	3.33	3.19	3.56	2.40	3.75	1.928	.102
Being socially responsible to community	3.40	3.33	3.06	3.22	2.80	3.25	.399	.848
Economic uncertainty	3.60	4.00	3.86	4.00	3.60	4.25	.286	.919
Crisis Management Planning	3.20	3.44	3.36	3.22	2.80	3.25	.470	.797

*Reliability score (Cronbach's Alpha) for each heading is shown in parentheses.

Note: *Indicates statistically significant differences at $p \leq 0.05$

1 Star = 5 hotels, 2 Stars = 9 hotels, 3 Stars = 36 hotels, 4 Stars = 9 hotels, 5 Stars = 5 hotels & others = 4 hotels

3.1.3 Consulting Experiences

The results as explained in Table 3.7 showed that 50.0% SM independent hotels have used some kind of consulting services in the past (52.1% of the Phuket hotels and 45% of the Bangkok hotels).

Table 3.7 Percentage of hotels who have used consulting services

Use of consulting services in the past	Number	Percentage
Yes	34	50.0
No	34	50.0

The results as illustrated in Table 3.8 indicate that the majority of respondents have taken “sales & marketing management consulting”, representing 29.4% of the respondents, followed by “consulting in accounting” (26.5%), “operations management consulting”, “human resource management consulting” and “legal consulting”, all representing 25.0% of the respondents, “financial management consulting” (16.2%), “strategic/general management consulting” (11.8%), “quality management consulting” and “IT consulting”, both representing 10.3%, “risk & crisis management consulting”, “project development & business planning consulting” and “management contract service”, representing 7.4% of the total respondents. Only 5.9 % of the respondents have used “consulting on social role and responsibility” and “asset management” and none of the respondents have used “management contract & franchise affiliation selection” from consulting services.

Table 3.8 Experience with using consulting services

Consulting Services Areas	Have used in at present & in the past	
	Number	Percentage
Human Resources Management (HRM) Consulting (0.79)*	17	25.0
Human Resource Development & Training	14	20.6
Recruitment Services	8	11.8
Compensation & Benefits Planning	8	11.8
Human Resource Planning & Analysis	7	10.3

Table 3.8 (continued)

Consulting Services Areas	Have used in at present & in the past	
	Number	Percentage
Operations (OP) Management (Mgt.) Consulting (0.90)	17	25.0
Overall Operational Audit	8	11.8
Spa Management	6	8.8
Front Office operations	5	7.4
Profit Improvement Service	5	7.4
Transition Planning	4	5.9
F&B operations	4	5.9
Housekeeping operations	4	5.9
Outsourcing Strategies	3	4.4
Sales & Marketing Management (Mgt.) Consulting (0.80)	20	29.4
E- Marketing	14	20.6
Sales and Marketing Assessment & Planning	8	11.8
Sales and Marketing Training & Coaching	7	10.3
Market Analysis & Market positioning	7	10.3
Brand Management	5	7.4
Information Technology Consulting (systems, network etc)	7	10.3
Financial Management (Mgt.) Consulting	11	16.2
Consulting in Accounting	18	26.5
Strategic or General Management (Mgt.) Consulting	8	11.8
Asset Management	4	5.9
Risk & Crisis Management (Mgt.) Consulting	5	7.4
Project Development & Business Planning Consulting	5	7.4
Quality Management (Mgt.) Consulting	7	10.3
Environmental Consulting	8	11.8
Consulting on Social role & Responsibility	4	5.9
Legal Consulting	17	25.0
Management (Mgt) Contract Service	5	7.4
Management (Mgt) Contract & Franchise Affiliation Selection	0	0

*Reliability score (Cronbach's Alpha) for each heading is shown in parenthesis

Table 3.9 shows the percentages of SM independent hotels that have used consulting services by hotel room number. SM independent hotels with 151-200 rooms have the highest percentage of using consulting services in “human resource management consulting” (55.6%), “operations management consulting” (33.3%), “sales and marketing management consulting”

(55.6%), “financial management consulting” (33.3%), “consulting in accounting” (33.3%), “strategic/ general management consulting” (22.2%), “asset management” (11.1%) “project development and business planning” (22.2%), “quality management consulting” (33.3%), “environmental consulting” (22.2%), “consulting on social role and responsibility” (22.2%) and lastly “legal consulting” (44.4%). However the interpretation for the hotels with this size should be carefully taken as there are only 9 hotels or 13.2% of the hotels in the study. SM independent hotels with 101-150 has the highest used of consulting services in risk & crisis management consulting, representing 18.2% of the total who have used consulting in this area. SM independent hotels with 1-50 rooms scored the lowest percentage of consulting used in all the areas except “human resource management consulting”, “IT consulting”, “financial management consulting”, “consulting in accounting”, “consulting on social role and responsibility” and “legal consulting”. “IT consulting” has the highest percentage of usage by hotels with 1-50 rooms, representing 13.0% of the total who have used consulting in this area. Hotels with 51-100 rooms have the highest percent usage of “management contract service”, (12.5%) while none of the respondents have used “management contract and franchise affiliation selection service”.

Table 3.9 Percentage of respondents who have used consulting services by hotel room number

Consulting services	Rooms category							
	1-50		51-100		101-150		151-200	
	No.	%	No.	%	No.	%	No.	%
HRM Consulting (0.79)*	5	21.7	4	16.7	2	18.2	5	55.6
Human Resource Planning & Analysis	0	0	2	8.3	1	9.1	3	33.3
Recruitment Services	2	8.7	1	4.2	2	18.2	2	22.2
Human Resource Development & Training	4	17.4	3	12.5	2	18.2	5	56.6
Compensation & Benefits Planning	3	13.0	2	8.3	1	9.1	2	22.2
OP Mgt. Consulting (0.90)	5	20.8	6	25.0	3	27.3	3	33.3
Overall Operational Audit	1	4.2	2	8.3	2	18.2	3	33.3
F&B Operations	0	0	1	4.2	0	0	3	33.3
Housekeeping Operations	1	4.2	1	4.2	0	0	2	22.2
Front Office Operations	0	0	2	8.3	0	0	3	33.3
Spa Management	2	8.3	3	12.5	0	0	1	11.1
Outsourcing Strategies	1	4.2	1	4.2	0	0	1	11.1

Table 3.9 (Continued)

Consulting services	Rooms category							
	1-50		51-100		101-150		151-200	
	No.	%	No.	%	No.	%	No.	%
Transition Planning	0	0	1	4.2	1	9.1	2	22.2
Profit Improvement Service	0	0	2	8.3	0	0	3	33.3
Sales & Marketing Mgt. Consulting (0.80)	5	21.7	7	29.2	3	27.3	5	55.6
Market Analysis & Market positioning	2	8.7	2	8.3	0	0	3	33.3
Sales and Marketing Assessment & Planning	1	4.3	4	16.7	0	0	3	33.3
Sales and Marketing Training & Coaching	0	0	3	12.5	1	9.1	3	33.3
Brand Management	0	0	1	4.2	1	9.1	3	33.3
E- Marketing	3	13.0	5	20.8	2	18.2	4	50.0
Information Technology Consulting	3	13.0	2	8.3	1	9.1	1	11.1
Financial Mgt. Consulting	3	13.0	3	12.5	2	18.2	3	33.3
Consulting in Accounting	7	30.4	5	20.8	3	27.3	3	33.3
Strategic or General Mgt. Consulting	1	4.3	4	16.7	1	9.1	2	22.2
Asset Management	0	0	2	8.3	1	9.1	1	11.1
Risk & Crisis Mgt. Consulting	0	0	3	12.5	2	18.2	0	0
Project Development & Business Planning Consulting	0	0	2	8.3	1	9.1	2	22.2
Quality Mgt. Consulting	1	4.3	2	8.3	1	9.1	3	33.3
Environmental Consulting	2	8.7	3	12.5	1	9.1	2	22.2
Consulting on Social Role & Responsibility	1	4.3	1	4.2	0	0	2	22.2
Legal Consulting	5	21.7	6	25.0	1	9.1	4	44.4
Mgt Contract Service	1	4.3	3	12.5	1	9.1	0	0
Mgt Contract & Franchise Affiliation Selection	0	0	0	0	0	0	0	0

*Reliability score (Cronbach's Alpha) for each heading is shown in parenthesis

The results illustrated in Table 3.10 show that SM hotels in Bangkok have higher percent usage of consulting than SM independent hotels in Phuket in the areas of “human resource management” (30.0%), “sales and marketing management” (35.0%), “asset management” (10.0%), “risk & crisis management” (10.0%), “project development and business planning” (15.0%), “quality management consulting” (15.0%), “consulting on social role and responsibility” (10.0%) and “legal consulting” (30.0%). However care should be taken with the interpretation of SM independent hotels in Bangkok as it presents only 29.4% in this study.

Table 3.10 Percentage of respondents who have used consulting services by province

Consulting Services	Provinces			
	Phuket		Bangkok	
	Number	%	Number	%
HRM Consulting (0.79)*	11	22.9	6	30.0
Human Resource Planning & Analysis	4	8.3	3	15.0
Recruitment Services	6	12.5	2	10.0
Human Resource Development & Training	9	18.8	5	25.0
Compensation & Benefits Planning	6	12.5	2	10.0
OP Mgt. Consulting (0.90)	12	25.0	5	25.0
Overall Operational Audit	5	10.4	3	15.0
F&B operations	2	4.2	2	10.0
Housekeeping operations	3	6.3	1	5.0
Front Office operations	3	6.3	2	10.0
Spa Management	4	8.3	2	10.0
Outsourcing Strategies	3	6.3	0	0
Transition Planning	2	4.2	2	10.0
Profit Improvement Service	3	6.3	2	10.0
Sales & Marketing Mgt. Consulting (0.80)	13	27.1	7	35.0
Market Analysis & Market positioning	6	12.5	1	5.0
Sales and Marketing Assessment & Planning	6	12.5	2	10.0
Sales and Marketing Training & Coaching	3	6.3	4	20.0
Brand Management	4	8.3	1	5.0
E- Marketing	9	18.8	5	25
Information Technology Consulting (systems, network etc)	5	10.4	2	10.0
Financial Mgt. Consulting	9	18.8	2	10.0
Consulting in Accounting	15	31.3	3	15.0
Strategic or General Mgt. Consulting	7	14.6	1	5.0
Asset Management	2	4.2	2	10.0
Risk & Crisis Mgt. Consulting	3	6.3	2	10.0
Project Development & Business Planning Consulting	2	4.2	3	15.0
Quality Mgt. Consulting	4	8.3	3	15.0
Environmental Consulting	6	12.5	2	10.0
Consulting on Social role & Responsibility	2	4.2	2	10.0
Legal Consulting	11	22.9	6	30.0

Table 3.10 (Continued)

Consulting Services	Provinces			
	Phuket		Bangkok	
	Number	%	Number	%
Mgt Contract Service	4	8.3	1	5.0
Mgt Contract & Franchise Affiliation Selection	0	0	0	0

*Reliability score (Cronbach's alpha) for each heading is shown in parenthesis

The results as displayed in the Table 3.11 showed that 1 star hotels have used consulting the most in the areas of “sales and marketing” (40.0%), “IT” (20.0%), “accounting” (40.0%), “environmental”, “social role and responsibility”, “management contract service”, all representing 20.0% and “legal consulting” (60.0%). 5 Stars hotels have also used consulting in the areas of “IT”, “environmental”, and “consulting on social role and responsibility”, all representing 20.0% the same percent as 1 star hotels have used. However, 5 stars hotels have used consulting in “human resource management” (40%), “operations management” (40.0%) and “quality management” (20.0%), the highest percent usage among hotels in other categories. However care should be taken in interpretation as 1 star and 5 stars hotels represent only 7.4% of the hotels in the study. 3 stars hotels have used consulting in “risk and crisis management” and “project development and planning”, all representing at 11.1%, “asset management”(8.3%) and “strategic/general management” (16.7%) and “financial management” (22.2%) more than hotels in other categories. Meanwhile, 2 stars have the least usage of consulting in all areas except in “sales and marketing management”, “accounting” and “quality management”.

Table 3.11 Percentage of respondents who have used consulting services by hotel star level

Consulting services	Hotel Classification											
	1 Star		2 Stars		3 Stars		4 Stars		5 Stars		Others	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
HRM Consulting (0.79)*	0	0	1	11.1	11	30.6	0	0	2	40.0	3	75.0
Human Resource Planning & Analysis	0	0	0	0	3	8.3	0	0	2	40.0	2	50.0
Recruitment Services	0	0	0	0	5	13.9	0	0	2	40.0	1	25.0
Human Resource Development & Training	0	0	1	11.1	10	27.8	0	0	1	20.0	2	50.0
Compensation & Benefits Planning	0	0	1	11.1	4	11.1	0	0	1	20.0	2	50.0
OP Mgt. Consulting (0.90)	1	20.0	1	11.1	10	27.8	1	11.1	2	40.0	2	50.0
Overall Operational Audit	0	0	0	0	4	11.1	0	0	2	40.0	2	50.0
F&B operations	0	0	0	0	2	5.6	0	0	1	20.0	1	25.0
Housekeeping operations	0	0	0	0	2	5.6	0	0	1	20.0	1	25.0
Front Office operations	0	0	1	11.1	2	5.6	0	0	1	20.0	1	25.0
Spa Management	1	20.0	0	0	2	5.6	1	11.1	1	20.0	1	25.0
Outsourcing Strategies	0	0	0	0	2	5.6	0	0	1	20.0	0	0
Transition Planning	0	0	0	0	2	5.6	0	0	1	20.0	1	25.0
Profit Improvement Service	0	0	0	0	3	8.3	0	0	1	20.0	1	25.0
Sales & Marketing Mgt. Consulting (0.80)	2	40.0	3	33.3	11	30.6	1	11.1	1	20.0	2	50.0
Market Analysis & Market positioning	1	20.0	0	0	3	8.3	1	11.1	1	20.0	1	25.0
Sales and Marketing Assessment & Planning	1	20.0	1	11.1	3	8.3	1	11.1	1	20.0	1	25.0
Sales and Marketing Training & Coaching	0	0	0	0	4	11.1	1	11.1	0	0	2	50.0
Brand Management	0	0	0	0	3	8.3	1	11.1	1	20.0	0	0
E- Marketing	1	20.0	2	22.2	8	22.2	0	0	1	20.0	2	50.0

Table 3.11 (Continue)

Consulting services	Hotel Classification											
	1 Star		2 Stars		3 Stars		4 Stars		5 Stars		Others	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Information Technology Consulting	1	20.0	0	0	4	11.1	0	0	1	20.0	1	25.0
Financial Management Consulting	0	0	0	0	8	22.2	0	0	1	20.0	2	50.0
Consulting in Accounting	2	40.0	3	33.3	10	27.8	0	0	1	20.0	2	50.0
Strategic or General Mgt. Consulting	0	0	0	0	6	16.7	0	0	1	20.0	1	25.0
Asset Management	0	0	0	0	3	8.3	0	0	0	0	1	25.0
Risk & Crisis Mgt. Consulting	0	0	0	0	4	11.1	0	0	0	0	1	25.0
Project Development & Business Planning Consulting	0	0	0	0	4	11.1	0	0	0	0	1	25.0
Quality Management Consulting	0	0	1	11.1	4	11.1	0	0	1	20.0	1	25.0
Environmental Consulting	1	20.0	0	0	4	11.1	0	0	1	20.0	2	50.0
Consulting on Social role & Responsibility	1	20.0	0	0	1	2.8	0	0	1	20.0	1	25.0
Legal Consulting	3	60.0	1	11.1	9	25.0	0	0	2	40.0	2	50.0
Mgt Contract Service	1	20.0	0	0	3	8.3	0	0	0	0	1	25.0
Mgt Contract & Franchise Affiliation Selection	0	0	0	0	0	0	0	0	0	0	0	0

*Reliability score (Cronbach's Alpha) for each heading is shown in parenthesis

The results indicated that SM independent hotels with more than 200 staffs have the highest percent usage of consulting in all areas, representing 50.0% except in “asset management”, “risk and crisis management”, “project development and business planning” and “management contract service” (Table 3.12). However care should be taken as this group of hotels representing only 2.9% or 2 hotels in this study. Hotels with 51-100 staffs have the second highest usage of consulting in the areas of “human resource management” (33.3%), “operations management” (33.3%), “sales and marketing management” (33.3%), “financial management” (16.7%), “project development and business planning” (11.1%) and “legal consulting” (27.8%). Hotels with 1-50 staffs have the second highest percent usage of consulting in “IT” (17.1%),

“accounting” (34.3%), “strategic/general management”, “environmental consulting” and “management contract service” (14.3%) while hotels with 101-150 staffs have the second highest percent usage in “asset management”, “project development and business planning”, “quality management” and “consulting on social role and responsibility”, all representing 10.0% of the total usage in each area. Lastly, hotels with 151-200 staffs, which represent 2.9% in the study, have not used any kind of consulting at all.

Table 3.12 Percentage of respondents who have used consulting services by hotel staff number

Consulting services	Staff category									
	1-50		51-100		101-150		151-200		>200	
	No.	%	No.	%	No.	%	No.	%	No.	%
HRM Consulting (0.79)*	6	17.1	6	33.3	3	30.0	0	0	1	50
Human Resource Planning & Analysis	1	2.9	3	16.7	1	10.0	0	0	1	50.0
Recruitment Services	3	8.6	3	16.7	0	0	0	0	1	50.0
Human Resource Development & Training	5	14.3	5	27.8	3	30.0	0	0	1	50.0
Compensation & Benefits Planning	4	11.4	3	16.7	0	0	0	0	1	50.0
OP Mgt. Consulting (0.90)	9	25.0	6	33.3	1	10.0	0	0	1	50.0
Overall Operational Audit	3	8.3	3	16.7	1	10.0	0	0	1	50.0
F&B operations	1	2.8	1	5.6	1	10.0	0	0	1	50.0
Housekeeping operations	2	5.6	1	5.6	0	0	0	0	1	50.0
Front Office operations	2	5.6	1	5.6	1	10.0	0	0	1	50.0
Spa Management	3	8.3	2	11.1	0	0	0	0	1	50.0
Outsourcing Strategies	2	5.6	0	0	0	0	0	0	1	50.0
Transition Planning	1	2.8	2	11.1	0	0	0	0	1	50.0
Profit Improvement Service	2	5.6	1	5.6	1	10.0	0	0	1	50.0
Sales & Marketing Mgt. Consulting (0.80)	10	28.6	6	33.3	3	30.0	0	0	1	50.0
Market Analysis & Market positioning	3	8.6	2	11.1	1	10.0	0	0	1	50.0
Sales and Marketing Assessment & Planning	4	11.4	2	11.1	1	10.0	0	0	1	50.0
Sales and Marketing Training & Coaching	1	2.9	4	22.2	2	20.0	0	0	0	0
Brand Management	0	0	3	16.7	1	10.0	0	0	1	50.0
E- Marketing	6	17.1	5	27.8	2	20.0	0	0	1	50.0
Information Technology Consulting	6	17.1	0	0	0	0	0	0	1	50.0
Financial Management Consulting	6	17.1	3	16.7	1	10.0	0	0	1	50.0
Consulting in Accounting	12	34.3	3	16.7	2	20.0	0	0	1	50.0
Strategic or General Management Consulting	5	14.3	2	11.1	0	0	0	0	1	50.0

Table 3.12 (Continued)

Consulting services	Staff category									
	1-50		51-100		101-150		151-200		>200	
	No.	%	No.	%	No.	%	No.	%	No.	%
Asset Management	3	8.6	0	0	1	10.0	0	0	0	0
Risk & Crisis Management Consulting	2	5.7	3	16.7	0	0	0	0	0	0
Project Development & Business Planning Consulting	2	5.7	2	11.1	1	10.0	0	0	0	0
Quality Management Consulting	3	8.6	2	11.1	1	10.0	0	0	1	50.0
Environmental Consulting	5	14.3	2	11.1	0	0	0	0	1	50.0
Consulting on Social role & Responsibility	2	5.7	0	0	1	10.0	0	0	1	50.0
Legal Consulting	8	22.9	5	27.8	2	20.0	0	0	1	50.0
Mgt Contract Service	5	14.3	0	0	0	0	0	0	0	0
Mgt Contract & Franchise Affiliation Selection	0	0	0	0	0	0	0	0	0	0

*Reliability score (Cronbach's alpha) for each heading is shown in parenthesis

3.1.4 Need for consulting services

The results as illustrated in Table 3.13 showed that the majority of respondents, representing 83.8% of the total respondents would consider some kind of consulting services in the future.

Table 3.13 Percentage of respondents who would consider using consulting services

Would consider using consulting services	Number	Percentage
Yes	57	83.8
No	11	16.2

Hotels in Bangkok would consider some kind of consulting services with 85% while hotels in Phuket would consider using with 83.3% (Table 3.14)

Table 3.14 Hotels which would consider using consulting services by provinces

Provinces	Yes	No	Percentage (%)
Bangkok	17	3	85.0
Phuket	40	8	83.3

From the Table 3.15, it showed that majority of respondents would consider using “sales and marketing management consulting”, representing 73.5% of the respondents, followed by “human resource management consulting” (67.6%), “operations management consulting” (60.3%), “IT consulting” (50.0%), “consulting in accounting” (48.5%), “legal consulting” (45.6%), “quality management consulting” (44.1%), “environmental consulting” (41.2%), “financial management consulting” (38.2%), “project development and business planning consulting” (36.8%), “strategic/general management consulting” and “risk and crisis management consulting”, both representing 32.4%, and “management contract service” (27.9%), “consulting on social role and responsibility” (26.5%), “asset management” (19.1%) and the least considering usage of consulting service is “management contract and franchise affiliation selection” representing 5.9% in that consulting area.

Table 3.15 Percentages of respondents who would use consulting services by consulting types

Consulting Services Areas	In future	
	Would consider Using	
	Number	Percentage
HRM Consulting (0.79)*	46	67.6
Recruitment Services	26	38.2
Human Resource Planning & Analysis	25	36.8
Compensation & Benefits Planning	21	30.9
OP Mgt. Consulting (0.87)	41	60.3
Overall Operational Audit	24	35.3
Profit Improvement Service	24	35.3
F&B operations	23	33.8
Transition Planning	20	29.4
Housekeeping operations	19	27.9
Front Office operations	17	25.0
Spa Management	17	25.0
Outsourcing Strategies	11	16.2
Sales & Marketing Mgt. Consulting (0.88)	50	73.5
E- Marketing	44	64.7
Sales and Marketing Assessment & Planning	35	51.5
Sales and Marketing Training & Coaching	35	51.5
Market Analysis & Market positioning	27	39.7
Brand Management	23	33.8

Table 3.15 (Continued)

Consulting Services Areas	In future	
	Would consider Using	
	Number	Percentage
Information Technology Consulting	34	50.0
Financial Management Consulting	26	38.2
Consulting in Accounting	33	48.5
Strategic or General Management Consulting	22	32.4
Asset Management	13	19.1
Risk & Crisis Management Consulting	22	32.4
Project Development & Business Planning Consulting	25	36.8
Quality Management Consulting	30	44.1
Environmental Consulting	28	41.2
Consulting on Social role & Responsibility	18	26.5
Legal Consulting	31	45.6
Mgt Contract Service	19	27.9
Mgt Contract & Franchise Affiliation Selection	4	5.9

*Reliability score (Cronbach's alpha) for each heading is shown in parenthesis

The results as shown in Table 3.16 indicated that the majority of SM independent hotels with 151-200 rooms would consider using consulting in “human resource management”, representing 77.8% of the total who would use consulting in this area. Also SM independent hotels with 151-200 rooms, have the highest percentage who would consider using consulting in the areas of “financial management” (55.6%), “accounting” (55.6%), “quality management” (44.4%) and “strategic/general management” (33.3%). Meanwhile hotels with 51-100 rooms, would consider using consulting, which represents the highest percentage among hotels with other room number in the areas of “operations management” (66.7%), “sales and marketing management” (87.5%), “IT” (58.3%), “quality management” (50.0%) and “asset management” (29.2%). Hotels with 101-150 rooms are more likely to use consulting in “risk and crisis management”, “project development and business planning” both representing 45.5% and “management contract service” (36.4%) while hotels with 1-50 hotels are more likely to use consulting in the areas of “legal” (52.2%), “environment” (43.5%) and “social role and responsibility” (30.4%) more than hotels with different room number

Table 3.16 Percentage of respondents who will use consulting services by hotel room number

Consulting services	No. of Rooms							
	1-50		51-100		101-150		151-200	
	No.	%	No.	%	No.	%	No.	%
HRM Consulting (0.79)*	14	60.9	17	70.8	7	63.6	7	77.8
Human Resource Planning & Analysis	8	34.8	8	33.3	4	36.4	4	44.4
Recruitment Services	8	34.8	9	37.5	5	45.5	3	33.3
Human Resource Development & Training	13	56.5	11	45.8	7	63.6	7	77.8
Compensation & Benefits Planning	7	30.4	6	25.0	4	36.4	3	33.3
OP Mgt. Consulting (0.87)	15	62.5	16	66.7	6	54.5	4	44.4
Overall Operational Audit	8	33.3	8	33.3	4	36.4	4	44.4
F&B operations	9	37.5	6	25.0	4	36.4	4	44.4
Housekeeping operations	8	33.3	3	12.5	5	45.5	3	33.3
Front Office operations	6	25.0	4	16.7	4	36.4	3	33.3
Spa Management	6	25.0	8	33.3	2	18.2	1	11.1
Outsourcing Strategies	3	12.5	6	25.0	1	9.1	1	11.1
Transition Planning	4	16.7	8	33.3	5	45.5	3	33.3
Profit Improvement Service	6	25.0	11	45.8	3	27.3	4	44.4
Sales & Marketing Mgt. Consulting (0.88)	16	66.7	21	87.5	7	63.6	6	66.7
Market Analysis & Market positioning	8	33.3	12	50.0	4	36.4	3	33.3
Sales and Marketing Assessment & Planning	10	41.7	18	75.0	4	36.4	3	33.3
Sales and Marketing Training & Coaching	10	41.7	17	70.8	5	45.5	3	33.3
Brand Management	5	20.8	9	37.5	5	45.5	4	44.4
E- Marketing	14	58.3	19	79.2	5	45.5	6	66.7
Information Technology Consulting	12	52.2	14	58.3	3	27.3	4	44.4
Financial Management Consulting	7	30.4	9	37.5	4	36.4	5	55.6
Consulting in Accounting	11	47.8	10	41.7	6	54.5	5	55.6
Strategic or General Management Consulting	6	26.1	8	33.3	4	36.4	3	33.3
Asset Management	2	8.7	7	29.2	3	27.3	1	11.1
Risk & Crisis Management Consulting	5	21.7	9	37.5	5	45.5	2	22.2
Project Development & Business Planning Consulting	7	30.4	9	37.5	5	45.5	3	33.3
Quality Management Consulting	9	39.1	12	50.0	4	36.4	4	44.4
Environmental Consulting	10	43.5	10	41.7	4	36.4	3	33.3
Consulting on Social role & Responsibility	7	30.4	6	25.0	3	27.3	2	22.2
Legal Consulting	12	52.2	10	41.7	4	36.4	4	44.4
Mgt Contract Service	7	30.4	6	25.0	4	36.4	1	11.1
Mgt Contract & Franchise Affiliation Selection	1	4.3	2	8.3	0	0	0	0

*Reliability score (Cronbach's alpha) for each heading is shown in parenthesis

From the Table 3.17 it is shown that SM independent hotels in Bangkok would consider using consulting in “human resource management” (75.0%), “operations management” (65.0%), “sales and marketing management” (80.0%), “project development and business planning” (40.0%), “quality management” (50.0%), “management contract service” (35.0%), “risk and crisis management” (35.0%) and “social role and responsibility” (35.0%) and “asset management” (25.0%); in all these areas the numbers are higher than those for Phuket hotels. Hotels in Phuket will use consulting in “IT” (50.0%) followed by “financial management” (41.7%), “accounting” (52.1%), “strategic/general management” (33.3%), “environment” (43.8%), “legal” (45.8%) and “management contract and franchise affiliation selection” (6.3%); in all these areas the numbers for Phuket are higher than those for Bangkok.

Table 3.17 Percentage of respondents who will use consulting services by province

Consulting Services	Provinces			
	Phuket		Bangkok	
	Number	%	Number	%
HRM Consulting (0.79)*	31	64.6	15	75
Human Resource Planning & Analysis	17	35.4	8	40.0
Recruitment Services	19	39.6	7	35.0
Human Resource Development & Training	26	54.2	13	65.0
Compensation & Benefits Planning	17	35.4	4	20.0
Operations Management Consulting (0.87)	28	58.3	13	65.0
Overall Operational Audit	16	33.3	8	40.0
F&B operations	17	35.4	6	30.0
Housekeeping operations	15	31.3	4	20.0
Front Office operations	11	22.9	6	30.0
Spa Management	12	25.0	5	25.0
Outsourcing Strategies	7	14.6	4	20.0
Transition Planning	12	25.0	8	40.0
Profit Improvement Service	17	35.4	7	35.0
Sales & Marketing Management Consulting (0.88)	34	70.8	16	80.0
Market Analysis & Market positioning	17	35.4	10	50.0
Sales and Marketing Assessment & Planning	22	45.8	13	65.0
Sales and Marketing Training & Coaching	21	43.8	14	70.0
Brand Management	13	27.1	10	50.0
E- Marketing	29	60.4	15	75.0

Table 3.17 (Continue)

Consulting Services	Provinces			
	Phuket		Bangkok	
	Number	%	Number	%
Information Technology Consulting	24	50.0	10	50.0
Financial Management Consulting	20	41.7	6	30.0
Consulting in Accounting	25	52.1	8	40.0
Strategic or General Management Consulting	16	33.3	6	30.0
Asset Management	8	16.7	5	25.0
Risk & Crisis Management Consulting	15	31.3	7	35.0
Project Development & Business Planning Consulting	17	35.4	8	40.0
Quality Management Consulting	20	41.7	10	50.0
Environmental Consulting	21	43.8	7	35.0
Consulting on Social role & Responsibility	11	22.9	7	35.0
Legal Consulting	22	45.8	9	45.0
Mgt Contract Service	12	25.0	7	35.0
Mgt Contract & Franchise Affiliation Selection	3	6.3	1	5.0

*Reliability score (Cronbach's alpha) for each heading is shown in parenthesis

The results as shown in Table 3.18 show that 1 star hotels are more likely than other hotels to consider using consulting in all areas except “human resource management”, “asset management”, “project development and business planning”, “environmental”, “consulting on social role and responsibility” and “management contract and franchise affiliation”. Five-star hotels would consider using consulting the most in the areas of “human resource management” (100%), “project development and business planning” (60.0%), “environment” (80.0%), “consulting on social role and responsibility” (60%) and “management contract and franchise affiliation” (20.0%). However, note should be taken while interpretation as 1 star hotel and 5 stars hotels both represent only 7.4% of all hotels. 2, 3 and 4 stars hotels have lowest intention to use consulting in the future in all the areas except for 2 stars hotels which would consider using consulting in “asset management” (33.3%) higher than hotels with different stars.

Table 3.18 Percentages of respondents who will use consulting services by hotel star level

Consulting services	Hotel Classification											
	1 Star		2 Stars		3 Stars		4 Stars		5 Stars		Others	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
HRM Consulting (0.79)*	3	60.0	5	55.6	27	75.0	3	33.3	5	100.0	3	75.0
Human Resource Planning & Analysis	2	40.0	3	33.3	14	38.9	1	11.1	4	80.0	1	25.0
Recruitment Services	1	20.0	4	44.4	16	44.4	1	11.1	4	80.0	0	0
Human Resource Development & Training	3	60.0	3	33.3	24	66.7	3	33.3	5	100.0	1	25.0
Compensation & Benefits Planning	1	20.0	3	33.3	12	33.3	1	11.1	3	60.0	1	25.0
OP Mgt. Consulting (0.87)	4	80.0	5	55.6	24	66.7	3	33.3	3	60.0	2	50.0
Overall Operational Audit	2	40.0	2	22.2	14	38.9	1	11.1	3	60.0	2	50.0
F&B operations	2	40.0	4	44.4	13	36.1	1	11.1	2	40.0	1	25.0
Housekeeping operations	3	60.0	2	22.2	12	33.3	1	11.1	1	20.0	0	0
Front Office operations	2	40.0	3	33.3	10	27.8	1	11.1	1	20.0	0	0
Spa Management	2	40.0	2	22.2	9	25.0	3	33.3	1	20.0	0	0
Outsourcing Strategies	1	20.0	1	11.1	7	19.4	0	0	1	20.0	1	25.0
Transition Planning	1	20.0	1	11.1	14	38.9	1	11.1	2	40.0	1	25.0
Profit Improvement Service	3	60.0	2	22.2	15	41.7	1	11.1	2	40.0	1	25.0
Sales & Marketing Mgt. Consulting (0.88)	5	100.0	5	55.6	30	83.3	2	22.2	5	100	3	75.0
Market Analysis & Market positioning	3	60.0	3	33.3	17	47.2	1	11.1	1	20.0	2	50.0
Sales and Marketing Assessment & Planning	4	80.0	4	44.4	22	61.1	1	11.1	1	20.0	3	75.0
Sales and Marketing Training & Coaching	4	80.0	4	44.4	23	63.9	1	11.1	1	20.0	2	50.0
Brand Management	3	60.0	2	22.2	15	41.7	1	11.1	1	20.0	1	25.0
E- Marketing	5	100.0	5	55.6	25	69.4	1	11.1	5	100.0	3	75.0
Information Technology Consulting	5	100.0	3	33.3	19	52.8	1	11.1	3	60.0	3	75.0
Financial Mgt. Consulting	3	60.0	1	11.1	16	44.4	2	22.2	2	40.0	2	50.0
Consulting in Accounting	3	60.0	4	44.4	19	52.8	2	22.2	3	60.0	2	50.0
Strategic or General Mgt. Consulting	3	60.0	3	33.3	12	33.3	1	11.1	2	40.0	1	25.0

Table 3.18 (continued)

Consulting services	Hotel Classification											
	1 Star		2 Stars		3 Stars		4 Stars		5 Stars		Others	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Asset Management	0	0	3	33.3	8	22.2	1	11.1	0	0	1	25.0
Risk & Crisis Mgt.	2	40.0	2	22.2	13	36.1	2	22.2	2	40.0	1	25.0
Consulting												
Project Development & Business Planning Consulting												
Quality Mgt. Consulting	3	60.0	3	33.3	18	50.0	1	11.1	3	60.0	2	50.0
Environmental Consulting	3	60.0	3	33.3	14	38.9	2	22.2	4	80.0	2	50.0
Consulting on Social role & Responsibility	2	40.0	2	22.2	8	22.2	1	11.1	3	60.0	2	50.0
Legal Consulting	5	100.0	3	33.3	17	47.2	1	11.1	3	60.0	2	50.0
Mgt Contract Service	3	60.0	3	33.3	7	19.4	1	11.1	2	40.0	3	75.0
Mgt Contract & Franchise	0	0	0	0	3	8.3	0	0	1	20.0	0	0
Affiliation Selection												

*Reliability score (Cronbach's alpha) for each heading is shown in parenthesis

The results shown in Table 3.19 indicate that SM independent hotels with more than 200 staffs are most likely to use consulting services in the areas of “human resource management” (100.0%), “sales and marketing management” (100.0%), “financial management” (50.0%), “environment” (100.0%), “social role and responsibility” (50.0%) and “legal consulting” (50.0%). However note should be taken that hotels in this category representing only 2.9% in this study. Hotels with 51-100 staffs would consider using consulting in “operations management” (77.8%), “accounting” (55.6%), “strategic/general management”, “risk and crisis management”, “project development and business planning”, “quality management”, all representing 55.6% in their areas and “asset management” (38.9%) more than hotels in other categories. Hotels with 1-50 staffs would consider using consulting in “IT” (54.3%), “social role and responsibility” (28.6%) and “management contract service” (34.3%) more than hotels with different staff number.

Table 3.19 Percentages of respondents who will use consulting services by hotel staff number

Consulting Services	Staff category									
	1-50		51-100		101-150		151-200		>200	
	No.	%	No.	%	No.	%	No.	%	No.	%
HRM Consulting (0.79)*	22	62.9	14	77.8	6	60.0	1	50.0	2	100
Human Resource Planning & Analysis	12	34.3	8	44.4	3	30.0	0	0	1	50.0
Recruitment Services	13	37.1	9	50.0	2	20.0	0	0	1	50.0
Human Resource Development & Training	18	51.4	11	61.1	6	60.0	1	50.0	2	100.0
Compensation & Benefits Planning	11	31.4	6	33.3	2	20.0	0	0	1	50.0
Operations Management Consulting (0.87)	23	63.9	14	77.8	3	30.0	0	0	1	50.0
Overall Operational Audit	13	36.1	8	44.4	2	20.0	0	0	1	50.0
F&B operations	11	30.6	9	50.0	2	20.0	0	0	1	50.0
Housekeeping operations	10	27.8	7	38.9	1	10.0	0	0	1	50.0
Front Office operations	9	25.0	6	33.3	1	10.0	0	0	1	50.0
Spa Management	7	19.4	8	44.4	1	10.0	0	0	1	50.0
Outsourcing Strategies	6	16.7	4	22.2	0	0	0	0	1	50.0
Transition Planning	9	25.0	9	50.0	1	10.0	0	0	1	50.0
Profit Improvement Service	14	38.9	7	38.9	2	20.0	0	0	1	50.0
Sales & Marketing Mgt. Consulting (0.88)	27	75.0	15	83.3	6	60.0	0	0	2	100.0
Market Analysis & Market positioning	14	38.9	11	61.1	2	20.0	0	0	0	0
Sales and Marketing Assessment & Planning	21	58.3	12	66.7	2	20.0	0	0	0	0
Sales and Marketing Training & Coaching	20	55.6	13	72.2	2	20.0	0	0	0	0
Brand Management	10	27.8	10	55.6	2	20.0	0	0	1	50.0
E- Marketing	25	69.4	12	66.7	5	50.0	0	0	2	100.0
Information Technology Consulting	19	54.3	9	50.0	4	40.0	0	0	1	50.0
Financial Management Consulting	12	34.3	9	50.0	3	30.0	0	0	1	50.0
Consulting in Accounting	17	48.6	10	55.6	4	40.0	0	0	1	50.0
Strategic or General Management Consulting	9	25.7	10	55.6	1	10.0	0	0	1	50.0
Asset Management	5	14.3	7	38.9	1	10.0	0	0	0	0
Risk & Crisis Management Consulting	8	22.9	10	55.6	2	20.0	1	50.0	0	0
Project Development & Business Planning Consulting	11	31.4	10	55.6	3	30.0	0	0	0	0

Table 3.19 (Continued)

Consulting Services	Staff Category									
	1-50		51-100		101-150		151-200		>200	
	No.	%	No.	%	No.	%	No.	%	No.	%
Quality Management Consulting	15	42.9	10	55.6	3	30.0	0	0	1	50.0
Environmental Consulting	14	40.0	8	44.4	3	30.0	0	0	2	100.0
Consulting on Social role & Responsibility	10	28.6	5	27.8	2	20.0	0	0	1	50.0
Legal Consulting	16	45.7	11	61.1	2	20.0	0	0	1	50.0
Mgt Contract Service	12	34.3	5	27.8	1	10.0	0	0	0	0
Mgt Contract & Franchise Affiliation Selection	3	8.6	0	0	0	0	0	0	0	0

*Reliability score (Cronbach's alpha) for each heading is shown in parenthesis

3.1.5 Criteria considered in choosing consulting companies/consultants

The results in Table 3.20 show that the majority of SM independent hotels choose “referral” (72.1%) as their criteria for choosing consulting companies/consultants. The second criteria respondents considered was “cost” of taking consulting with 41.2% followed by “reputation” of consulting company/consultants with 39.7%. The fourth criteria was “profile of consulting company’s customers” with 22.1% and the least considered criteria were “brand” and “closeness (local) to the hotel” with only 2.9% of the respondents.

Table 3.20 Criteria considered in choosing consulting companies/ consultants

Criteria	Yes		No		Total	
	No.	%	No.	%	No.	%
Referral	49	72.1	19	27.9	68	100
Cost	28	41.2	40	58.8	68	100
Reputation	27	39.7	41	60.3	68	100
Profile of consulting company’s customers	15	22.1	48	77.9	68	100
Brand	2	2.9	66	97.1	68	100
Closeness (local) to the hotel	2	2.9	66	97.1	68	100
Others	3	4.8	65	95.6	68	100

Others include perspective of the consultant

3.1.6 Reasons for reluctance to use consulting services/consultants

The results from the Table 3.21 revealed that respondents gave the reasons for their reluctance to use consulting services as “its expensive with no clear return on investment” with 63.2% followed by “my hotel is doing good and doesn’t need any consulting” (54.4%), “consultants lack insight into our specific situation” (39.7%) and “identification of a competent consultant is difficult” (30.9%). Meanwhile the reasons “the current options aren’t up to the expected professional standard”, “our company information is confidential” and “the process is too complex” represented 17.6%. Lastly, the least cited reason was “our use of consulting may be viewed by others as lack of competence” with only 11.8% and “others” which include hotel is too small to use with 8.8%.

Table 3.21 Reasons for reluctance to use consulting services/consultants

Reasons	Yes		No		Total	
	No.	%	No.	%	No.	%
It’s expensive with no clear return on investment	43	63.2	25	36.8	68	100
My hotel is doing well & doesn’t need any consulting	37	54.4	31	45.6	68	100
Consultants lack insight into our specific situations	27	39.7	41	60.3	68	100
Identification of a competent consultant is difficult	21	30.9	47	69.1	68	100
Our company information is confidential	12	17.6	56	82.4	68	100
The current options aren’t up to the expected professional standard	12	17.6	56	82.4	68	100
The process is too complex	12	17.6	56	82.4	68	100
Our use of consulting may be viewed by others as lack of competence	8	11.8	60	88.2	68	100
Others	6	8.8	62	91.2	68	100

Others include hotel is too small to take consulting

3.2 Qualitative Results

3.2.1 Comments on the challenges faced by SM independent hotels from the open-ended questions

In addition to the level of challenges that respondents are asked to rate, they were also asked open-ended question about the challenges they faced in overall hotel management in order to get more in-depth information. The most frequently identified areas of concern by the

respondents are sales and marketing and human resource issues. Other areas of concerns expressed by general managers, in order of frequency are economic uncertainty and political instability, keeping standards and guest satisfaction, cost control in order to maximize profit, and concern about the limited budget available.

Sales and marketing issues such as occupancy level, online marketing, track changing customers' needs, intense competition, increasing customer base and retaining old customers were cited as challenges by the majority of general managers. Respondents stated that filling up the rooms everyday and keeping the maximum revenue per available room are particularly challenging. As one respondent put it, *"Keeping the occupancy level to a satisfactory level without having to discount room rate is very challenging."* Other respondents expressed concern about online marketing which they said is quite challenging for them. Most of the respondents stated that competition is very intense nowadays as supply is higher than demand; the concerns about track changing customers' needs as well as maintaining competitive edge over competitors are particularly challenging for them. Respondents also expressed concern about retaining old customers. As one respondent put it, *"Making repeat customers is not easy at all nowadays, as there are many new hotels coming up."* Other respondents stated that sales and marketing management to reach the established goals and objectives is very challenging for them.

Another important challenge expressed by the majority of respondents is human resource management issues such as attraction, training, retention, employee negative attitude and morale and directing staffs. Respondents stated that it is very challenging to attract skilled employees to work with them. Respondents also expressed that finding time to train is challenging for them and it is not easy to launch a consistent and successful training programs. Respondents cited that to keep them motivated so as to keep their positive attitude and morale is particularly challenging which helps prevent turnover too. Some of the respondents also expressed concern about the shortage of employees in their hotels. Respondents commented that they find it hard to retain experienced employees. Lastly, respondents expressed that to direct staffs to operate the tasks as planned is quite challenging.

Economic uncertainty and political instability worried half of the respondents. Respondents stated that economic uncertainty is something beyond control but they hope

everything will recover soon but political instability in Thailand is really destroying tourism and managing hotel in this situation is very challenging.

Nearly half of the respondents stated that keeping to the standards as well as enhancing service standards is quite challenging. As one respondent put it, *“Trying to have better service standard in order to promote to clients that independent resort is more preferable is not easy.”* Other respondents expressed that keeping most of the guests satisfied while staying with them is also quite challenging and making guests to return and getting repeat customers is even more challenging. Few respondents also expressed concern that as there are many new hotels nowadays, they need product renovation to keep up with the market as well as enhancing the service standards to compete with the new hotels.

One third of the respondents expressed that cost control in order to maximizing profit is quite challenging for them. One manager said, *“To manage the overall budget to be in line with other hotels in the same class is particular challenging.”* Respondents stated that it is extremely challenging to maximize profits as the costs are rising and the hotels are giving a big discount on room rates.

Only few respondents have cited availability of limited capital as their concern which is quite surprising.

3.2.2 Consulting experiences from open-ended questions

Respondents were asked an open ended question in the questionnaire about the areas in which they had consulting services. More than half mentioned have used consulting in the areas of sales and marketing management which includes marketing planning, analysis of competition, sales training and product improvement. Human resource management consulting and consulting in IT which includes hotel system and property management system have also been used by less than of the respondents. Some of the respondents mentioned have used consulting in quality management and others mentioned consult in accounting and legal consulting. One fourth of them mentioned that they have used consulting in overall management.

3.2.3 Areas in which consulting is needed from open-ended questions

In addition to the multiple choices, respondents are asked open ended questions about the areas in which they think consulting would be most valuable to them. The majority of those who commented mentioned consulting in sales and marketing management which includes consulting in online marketing, public relations, differentiating from competitors, revenue management and sales and marketing planning. More than half mentioned consulting in human resource management which includes manpower planning, recruiting and training. Also half mentioned consulting in quality management to improve service standard and less than half mentioned consulting in food and beverage management. One fourth mentioned consulting in costs and control and consulting in accounting. Interestingly, three of them mentioned about consulting in financial management and few stated that consulting in overall management would be valuable to them. Few even mentioned consulting in strategic management and very few stated environmental consulting as an area of valuable consulting.

3.2.4 Extra suggestions on the need for consulting

Respondents were asked an open-ended question on extra suggestions on their needs for consulting, below is the comments listed:

- ∕ Some of respondents perceived that consulting is expensive.
- ∕ Respondents stated that actually there is a need for consulting but consultant really needs to have a real insight into the situation and is trust worthy. They further added that if general manager/department manager of the hotel have a good knowledge in the particular field, they will not need consulting service in that fields
- ∕ They commented that most of the consulting companies do not understand the system of hotel which makes the results not very satisfactory.
- ∕ Respondent suggested that consultants should really be able to manage and track changing customer needs.

3.2.5 In-depth interview results

This is the main qualitative method that has been used for collecting data. The interviews were conducted with general managers of SM independent hotels in Phuket and Bangkok. The SM independent hotels' profile are listed in the table below

Table 3.22 Profile of SM independent hotels where interviews were conducted

No.	Designation	No. of rooms	Location
1	General Manager	48	Phuket
2	General Manager/Owner	59	Phuket
3	General Manager	72	Phuket
4	General Manager	90	Phuket
5	General Manager	104	Phuket
6	Owner and Resident Manager	72	Bangkok
7	General Manager	80	Bangkok
8	General Manager/Owner	87	Bangkok
9	Executive Assistant Manager	160	Bangkok
10	General Manager	172	Bangkok

3. 2.5.1 In-depth Interview Results with general managers of SM independent hotels

1. Key challenges facing SM independent hotels

General Managers commented on their challenges in the areas of human resource management, sales and marketing, economic uncertainty and political instability, food and beverage management and financial issues.

The majority of general managers of SM independent hotels in Phuket and Bangkok agreed that human resource management is the most challenging thing for them. The main challenges expressed by managers in this area are attracting skilled employees, high staff turnover, employees' low morale and training while the snatching of employees, finding executives and labor shortage are also concerns for some managers.

Most of the respondents stated that attracting skilled employees is very challenging, as most of the skilled employees would rather want to work for chain hotels more than independent hotels. *“The skilled employees believe that the benefits offered at chain hotels are more lucrative and brand also matters them”*, cited one of the respondent. Some of the respondents also stated that even new graduates rarely wanted to work for small and medium-sized hotels. Respondents said that it is easier for them to attract inexperienced staffs to work with them. *“But again this inexperienced staffs once they gain experience they tend to change their jobs and move to chain hotels.”* Four respondents stated that SM independent hotels are like the stepping stairs for employees as once they started their jobs with small and independent hotels and become experienced they will change to work with chain hotels. Some of the hotel managers of SM independent hotels in Bangkok also shared that it is really quite challenging for them to attract staffs with good English skills.

High staff turnover rate is also cited as a concern and challenge for most of the general managers in both provinces. It is quite difficult to retain skilled employees. The reason they mentioned for the high turnover is stated as mentioned above: as the staffs when they become experienced, they would like to join chain hotels. General Managers also stated that they normally support staffs who would like to grow, but there are some staffs who normally quit just because there is just a little increment in their salary at the new work place.

Another main issue about human resource management in which general managers are concerned about is employees' low morale. They think that it is quite challenging to keep the staffs motivated to work with the hotel. When these employees have low morale, they don't work effectively and causes turnover problems.

Training was also expressed as a concern by most of the General Managers. The most challenging is how to get the staffs to be motivated to take part in training programs and take most out of it. Some of the general managers stated that it's hard to find time to train staffs and launch consistent and successful training programs.

Some of the general managers also stated that finding executives is also challenging for them as the benefits offered by them are not very lucrative as chain hotels offer

whereas some of them stated labor shortage as their concern, and this is because of limited budget available to them. Other general managers complained that snatching of employees among the hoteliers as a problem.

Sales and marketing management is the second most challenging field expressed by most of the respondents in both Phuket and Bangkok. In this area, general managers mentioned the challenges of oversupply of hotel rooms, online marketing, having good pricing strategy, creating value, issues relating to travel agency and track changing customer needs.

Most of the respondents in Phuket are worried about the oversupply of the hotel rooms. *“There are so many hotels right now, both authorized and unauthorized and no one seems to be able to control it”*, expressed general managers. The general managers expressed that oversupply causes rate damage.

Online marketing was expressed as a very important challenge by most of the general managers in both the provinces. General Managers stated that nowadays traditional wholesale technique has been replaced by online marketing, as there are many websites available now, process is quite complicated. They stated that online presence is quite important and cited their challenge in adopting comprehensive online strategy as well as in developing suitable partnership with aggregators (online travel agents), as they are still unable to control price because of low negotiation power and have to accept the terms offered by online distributors. This leads to low RevPAR (revenue per available room). Some of the respondents cited their lack of specialist in this field as their concern while others discussed setting the best price and still maximizing profit as their concern.

Respondents also stated their challenge in having good pricing strategy. As competition nowadays is very intense setting the room price to maximize profit and still remain competitive in the market is very challenging. Most of the respondents expressed concern that Revenue per available room has decreased from the past years and this is because of economic and political crisis as well as continuous supply of new hotel rooms. Some of the respondents stated that nowadays branded 4 and 5 stars hotels are offering 3 stars price, and it is really

challenging for them to bring back their customers and cause them to lose their market shares while some others showed concern in how should they increase their market share.

Most of the respondents cited that managing sales and marketing effectively to reach the target goals is very challenging nowadays. Some of the respondents in Phuket stated their concern about how they should reposition the hotel in order to maximize value and increase revenue per available room so as not to do the war price with other hotels.

Approaching travel agency was also expressed as a challenge by some of the respondents. They stated that it is not easy at all and having to negotiate the price with them in order to get the best deals is very challenging as they have less negotiation power. “How should I increase the contract rate with the agency and make the agency think that it is reasonable”, cited one respondent. One of the respondent stated that collecting the money from the agency is really very difficult.

Lastly, in the areas of sales and marketing management, most of the respondents stated that customer needs have been changing and to understand and track their changing needs is quite challenging.

General Managers expressed as the third most concern for them the instability of political situation which is really destroying the tourism market. They also cited that economic recession causes problem to them but they hope this will recover soon.

Some of the general managers from both Phuket and Bangkok hotels also cited as their concerns in food and beverage management in terms of increasing the sales in restaurants as well as attracting outsiders to come and use their restaurants.

Lastly, most of the respondents expressed that high operating costs is really a problem. Prices of various raw materials have been increasing and this is really challenging for most of the general managers in managing cash flows. Very few respondents stated that managing taxes as well as lack of capital was a problem for them.

2. Areas in which SM hotels have used hospitality consulting services

Majority of the respondents in both Phuket and Bangkok hotels expressed that in the development phase they have used consulting in structure building (during the building

process), and information and technology (IT) consulting. For the consulting in structure building, that was when the hotel was being built in order to assure that everything goes according to the plan. Most of the respondents also said that they have taken IT consulting when they were setting infrastructure and setting systems. That is during the initial phase of setting up systems. The general managers stated that whenever they have problems with IT, these companies who have done the set up for them will follow up and give advice.

During the operations, that is when the hotel is already open, most of the respondents said that they have taken consulting in accounting, in the accounting process related to paying taxes and in auditing. Most of the respondents also said that they have taken consulting in finance from their bankers as well as legal consulting. More than half of the respondents stated that they have used their connections in taking consulting; which some of the time are free consulting. They also said they don't really approach consulting companies but usually take advice from independent consultants. One of the respondent stated that he has used consulting in front office, housekeeping, food and beverage from 4-5 star hotel managers. Nearly three quarters of the respondents also stated that they have taken training services from lecturers of various universities to train their staffs about service attitude, English language and to increase motivation. Less than half of the respondents have sent their staffs to a training company to learn some specialist areas such as online marketing.

Half of the respondents stated that they have taken consulting in marketing management, e-marketing, human resource management, risk management, cost control, reducing the use of energy, financial consulting from the OSMEP, SME banks and universities such as Thammasat and Chulalongkorn who worked in collaboration with government agencies to support small and medium enterprises. The respondents stated that OSMEP normally hired consulting company for them to give consulting in e-marketing and other areas. OSMEP is also one the shareholders at some hotels. In human resource management OSMEP, SME banks and universities will give advice to them on staffing planning, training and employee development. In risk management, they normally help the hotels in analyzing and minimizing their risks. SMEs banks and universities have provided consulting to the hotels in cost controlling by letting them show their cost structure and advice them on how to reduce their costs, even in the field of

reducing the use of energy; they may also inspect the hotels and help them in implementing techniques to reduce the use of energy. SMEs banks and OSMEP help the hotels to analyze their loan structure and assist them in implementing changes or in obtaining more loans. In marketing management, OSMEP and SMEs Banks help them in analyzing which marketing techniques should be changed and developed. In e-marketing, OSMEP has hired consulting company to help the hotels, in doing e-marketing effectively which starts with clear positioning of the hotels, setting up websites and ways to promote and increase online reservations. These respondents stated that this kind of consulting is not short term and sometimes it is as long as 2 years. Respondents stated that these consulting services are supported by OSMEP and therefore no expense is incurred, except for giving complimentary nights to them when they do some inspection or consulting. Some of the respondents also stated that the Thai Hotel Association also arranges some workshops to provide consulting to the owners and management team but this sometimes costs money.

Less than half of the respondents said that they have taken consulting in preventive maintenance in order to reduce costs.

3. Areas of consulting needs most valuable to SM independent hotels

More than half of the general managers of small and medium-sized independent hotels stated that as the owners have already hired them and they do have extensive experiences in this field so their need for consulting might be low. One respondent said that the general manager is like a consultant. However, of those who would consider using consultancy, majority of the respondents stated the need for training services in the field of service mind, increasing motivation, English skills, teamwork and communication. They noted that they will not need job-specific trainings as there are station managers to train them. Half the respondents stated that they might want to have an e-marketing consulting. Fewer than half of the respondents in Phuket stated the need for negotiation skills training and presentation skills training in order to approach negotiate the best deals with a travel agency. Also fewer than half of the respondents from both Phuket and Bangkok stated the need for food and beverage consulting in order to increase the sales of the restaurants. Few respondents would like a consulting company to survey their guest satisfaction, survey guests changing needs as well as act as a mystery shopper for them

to help improve their overall quality. Few respondents in Bangkok would like to get the consulting company to do the competitive study for them, to analyze their competitors and their pricing techniques. One of the owner general managers in Bangkok would like the consultant to analyze for them which departments they should outsource and which ones they should do themselves in order to maximize their profit. Very few respondents from Bangkok would like to get consulting in preventive maintenance in order to reduce costs.

Some of the respondents stated the need for project development consulting and feasibility study when they would like to expand their business. Fewer than half of the general managers also stated that they would like to be acquainted with some new trends in marketing from a consultant. More than half of the respondents said that they would only take consulting service after the problems arise and become serious. Some of the respondents also said that there are many consulting given by government agencies and it is free, so they might not prefer to pay for the consulting. Lastly, the majority of the respondents stated that they will most of the time need consulting in accounting, legal consulting and IT maintenance consulting.

4. Criteria considered in choosing the consulting companies/consultants

The majority of the respondents stated that normally if they do hire a consultant usually the consultant is independent that is doesn't belong the any consulting company. Majority of respondents also stated that they will take recommendations from their friends (referrals) whether whom should they choose; they will also consider criteria such as reputation of the consultants/consulting companies as well as the profile of consulting company's customers. More than half of the respondents stated that they will also consider the cost as their criteria too whether it is too expensive or not. The other comments from some respondents were that they would like to see perspective of that consultant as the criteria.

5. Reasons for reluctance to use the consulting services/consultants

The majority of the respondents stated their reluctance to use consulting services as that their hotels are already doing well. Half of the respondents stated the reasons that sometimes consulting is expensive with no clear return on investment. Half of them also stated that they normally get a free consulting from the government agencies which is really useful and most of the time is free. Some stated that they already have a vast experience being general

managers, so might not need consulting services. Lastly, few respondents stated the reason for their reluctance that the process of taking a consulting service as too complex.

6. Extra suggestions on the hotel's needs for consulting services.

General Managers who commented here stated that normally general managers will not usually use consultant as they have vast amount of the experiences in the field already, they said that owners who manage themselves or let their children manages might need more consulting. General Managers also stated that they normally use connections or relationship to get the free advice from their GM friends. The other comments were that the consultant should be hoteliers before and have a great insight in the field. One respondent commented that consulting companies in Thailand are few compared to foreign countries.

3.2.5.2 Interview results with Hospitality Consultant

1. What do you think are the problems faced by hotels in Thailand?

The consultant stated that right now the hotels in Thailand especially Phuket are facing the problem of over development. Many investors who have invested in the hotels are not operating on sound business models.

Rate plunge is another main problem which has resulted from the over building of hotels. Many hotels are now crushing their rates and this has a domino effect. Five star hotels have offered four star rates, four star hotels has offered three star rate and three star hotel offered two star rate. The hotel industry in Phuket has lost lots of revenue due to rate plunging. Also, managers tend to focus on managing enough cash flows and not to re-invest in the development of existing hotels, resulting in the destination losing its attractiveness. The consultant also stated that the United States took 6 years to recover from rate damage after the 9-11 situation. The consultant expressed that there is volatility everywhere. There is also a big shift in the type of investors; traditionally it was more institutional investors but now individuals or families have invested in the hotels, and for most of them these are secondary leverage businesses. This has also contributed to flooding the hotel market.

2. What are the problems of small and medium independent hotels?

The small and medium-sized independent hotels are facing the problem of rate plunging. There is rate damage. Most of the independent hotels do not have long term plans.

The consultant stated that they have a different approach in managing hotels. They don't usually rely on systems, procedures, long term plans and market strategy. The consultant stated that, "They don't have an institutional approach to business planning", as they rely more on short term plans. Staffing issues is another problem which the consultant has expressed. The consultant stated that small and medium-sized independent hotels lack skilled staff as it is more lucrative for the staffs to work for chain hotel rather than independent hotels. The consultant also stated that training is not usually done in these hotels that are why the staffs are not very skilled. The consultant said that branded hotels are outperforming non-branded hotels as people still prefer and are loyal to brands.

3. What do you think are the solutions to these problems?

The consultant expressed that as Phuket has changed from seasonal destination to non-seasonal destination, their target customers also are changing. He stated that the future of Phuket will be a regional business; there will be more volume business. Small and medium-sized independent hotels need to really have a good management structure team and be more focus as this market is getting more competitive. Many of the chain hotels have introduced their budget brands and 70% of the upcoming hotels are chain hotels. He added that there will be a trend for small budget hotels, so small and medium-sized independent hotels will really have to give training/ take training consulting for their staffs to have multi-skills and be more efficient in order to be able to work effectively. They also need to raise their standards in order to increase the value.

4. What kind of consulting services do they normally use?

Some of the independent hotels have taken the consulting services during the pre-development stage. The consultant has helped/ consulted them by doing proforma profit and loss statement, long term financial forecast and planning, architecture design and what the product should be in the pre-development stage. Some of the independent hotels have approached to us because they wanted to get brands as they can't perform, so the consultant assist them in getting brands by preparing the request for proposal. Also when independent hotels want to upgrade the property, they take consulting service to help them with re-branding and corporate identity. The consultants said that during operations, small and medium independent hotels have

taken sales and marketing consulting which focuses on how to increase the sales volume and help getting contract with wholesale agency, also the F& B consulting in case if they want to re-menu. Most of the small and medium-sized independent hotels hardly place any values on operating manuals, procedures, policies and business plans, so they don't normally take consulting service in that areas. Usually the SM independent hotels have hired individual consultants who have worked in the hotels. They don't usually take any financial planning consulting service as they do not want to reveal details related to their finances.

5. What are the services do you normally provide?

The consultant does feasibility study and analysis, market research and pre-development planning which include long term financial forecast, pro-forma profit and loss statement, assist in architecture. He also assists the hotels in getting brands and gives advisory service on how to put things too. He helps the hotels with re-development, re-branding and positioning. Asset Management is also given by the consultant. The consultant also gives arbitration by becoming an independent expert; normally this is between hotel chain operator and owner. Non-chain hotels contributed 30% of his business.

6. In which areas do you think small and medium-sized independent hotels need consulting?

Consultant expressed that there are three areas that SM independent hotels will need consulting service. They will need training service in job-specific training in order to upgrade their standard and be more efficient. They will need F&B consulting on how to set menus, set better standards and sales strategy. They will also need sales and marketing consulting in order to consult on sales planning, sales strategy, market analysis, negotiation with wholesalers, positioning and building relationships. They also might need consulting service on re-development as they have suffered from rate shrink, and by doing so they can increase their rates. These consulting services will help the companies operating in the volatile and increasingly more competitive hotel industry.

7. Other recommendations:

The consultant expressed that environmental consulting is the growth area. In the future, many independent hotels would like to get the green leaf certification so the need for

this environmental consulting would increase. The consultant stated that in order to create need for consulting, consultant needs to educate first, that is create education process for them to understand better the needs for small and independent hotels.

3.2.5.3 Interview Results with the Office of Small and Medium Enterprises Promotion (OSMEP)

1. What kinds of support do you give to SM hotels?

The Office of Small and Medium Enterprises Promotion is a government agency which supports SMEs in various fields. The support OSMEP gives to SM hotels are listed as follows:

1. Investment support: OSMEP has arranged the “Venture Capital”, in which OSMEP helped many SM hotels in investment by becoming the shareholder. By doing so, many SM hotels do not have to take loans from the banks or any other sources. SM hotels also don’t have to use their asset for the insurance as they do when they take loans. If OSMEP is the shareholder of any SM hotels, then OSMEP will also be responsible for any losses. OSMEP will also give counseling and be a mentor for SM hotels in various fields of the hotel management. This “Venture Capital” program was very active after the 2004 Tsunami, and OSMEP has been the shareholder of about 21 SM hotels in Phuket, Phang-Nga and Krabi. OSMEP will carry ownership in the hotel or be the shareholder of not more than 35% of the total registered capital for between 1-5 years until the SMEs hotel is financially strong. Respondent stated that since 2006, OSMEP has not arranged any “Venture Capital” for any new SM hotels due to the change of government, and the program needs to be approved again.

Respondent stated that the hotels where OSMEP is the shareholder will receive free counseling and mentor from OSMEP, in which they will give consulting in the areas of financial management, accounting, marketing and general management. In case any problems occur and the mentor cannot help by solving the problem or providing consulting then the mentor will contact a consultant in specialist areas to help SM hotels solve the problems. The mentor will visit the hotel every month.

2. Capacity Building Fund for Thai SMEs: Respondent stated that OSMEP has arranged this “Capacity Building Fund for Thai SMEs” in order to support SMEs to be more

strong and competitive in the market. This fund is for all Thai SMEs whether they are in whichever sector not only SM hotels respondent expressed.

The “Capacity Building Fund” project is a continuous project and is open for all Thai SMEs who are the members of OSMEP. This project opens every year and the number of SMEs being guaranteed for the fund depends on the budget it gets from the government every year.

The Capacity Building Fund Project gives funding in the following areas:

£Consultancy Fund: OSMEP will give this fund to those SMEs who faced problems in their business management in the areas of marketing, management, human resource management, accounting, logistics, investment and other problems etc. They will also give this fund to SMEs that would like to expand their market or develop their products or services. The objective of this fund is to give fund in support for:

Diagnosis & Problem Evaluation: OSMEP will pay for this evaluation; in case the SMEs is in Bangkok or its vicinity OSMEP will pay the fee of not more Baht 25,000, while if SME is in other provinces the fee OSMEP will support will be Baht 25,000 plus Baht 10,000 for transportation and budget accommodation.

Consultant fee: The criterion for this one is that OSMEP will pay the amount not exceeding 50% of the total consultant fee and not exceeding Baht 250,000 per year.

£Internationalization Fund: Respondent stated that this fund is very useful for SM hotels as they have to go abroad for displaying their hotels in exhibitions as well as various travel market. OSMEP will support the fee for this not exceeding 50% of the total expense incurred as well as not exceeding Baht 250,000 per year. SM hotels do not have to pay back the fee to OSMEP. Respondents also stated that if SMEs would like to do business matching or develop market abroad, they are also eligible for this fund.

£Intellectual Property Fund: Respondent stated that this fund is not really meant for SM hotels but OSMEP does support for this fund not exceeding Baht 500,000 in case SMEs would like to get patent, trademark, copy right etc.

Respondents stated that in order for SMEs to get support for fund in these three areas, their business should be registered with OSMEP and the owner is an juristic person and their business should be legal, ethical and been operated for not less than one year.

2. In which areas do you normally give consulting to SM hotels?

OSMEP has arranged various workshops for SM hotels in the field of e-marketing, human resource management and cost control. For SM hotels where OSMEP is the shareholder, OSMEP will arrange the workshop for them or hire a consultant for them. The detailed workshop that OSMEP has arranged for SM hotels, as OSMEP is one of the shareholder, is in the field of e-marketing, in which consultant will help the hotels with identifying target market until approaching the target market without having to rely too much on agency; OSMEP will pay the consultancy fee for them.

In addition, OSMEP has also provided consulting to SM hotels in the areas of writing business proposals, financial planning, marketing management, investment, legal issues, managing taxes, accounting management, cost control and in refinancing in order to help SM hotels reduce the cost of their debts.

3. What do you think are the problems, weaknesses and challenges faced by SM hotels?

Some SM hotels faced problems because their management still lacks experience in the field of hotel management; their management structure is weak as they are managing family style. SM hotels also faced problems in the areas of human resource management as there is high turnover rate because the benefits of SM hotels are far less than chain hotels. Respondents also stated that SM hotels are still weak in marketing management as they are highly dependent on travel agencies and cannot sell directly to their target customers. Respondents mentioned that SM hotels normally compete on pricing and are facing a fierce competition. He mentioned that some SM hotels still lack understanding in financial management and do not operate with good corporate governance.

He added that most of SM hotels have limited equity capital and that's why they have to borrow from other sources but they have very limited access funds with low interest rates and therefore have to borrow from more costly sources which results in high debt burden.

OSMEP has arranged “Venture Capital Fund” for SM hotels but this is still very limited. SM hotels get less support from government in tax related benefits or reducing the use of energy. SM hotels still lack support from government in the areas of continuous promotion of tourism. Lastly, the respondent mentioned that SM hotels have felt the negative impact from global economic crisis and political instability within the country.

4. In which areas do you think SM hotels need more government support?

The respondent stated that government should have specific unit that have an insight into the problems and weaknesses of SM hotels and be able to give a practical advice to them. The respondent also said that the “Venture capital Fund” should be available to more SM hotels, in order to strengthen them as well as reducing their debt in the initial stage of operation. He also expressed the opinion that the government should assist SM hotels to get access to the source of fund with low interest rate in case the Venture capital fund cannot support them. Lastly, respondent stated that government should help promote tourism in the areas through various government organizations.

5. In which areas do you think SM hotels need any (private) consulting?

The respondent stated that SM hotels usually take consulting in the field of accounting, managing taxes and legal consulting. He also expressed that SM hotels might need consulting in marketing management, writing business proposal, due diligence and evaluation of warranty. The respondent mentioned that SM hotels might need consulting in other areas but consulting fees are expensive and sometimes they cannot afford them. Lastly, respondent stated that private sector can help SM hotels in finding and establishing strategic alliances with them.

3.2.5.4 Interview Results with SMEs unit at Kasikorn Bank

1. What are the criteria for choosing SMEs?

The assistant manager stated that the bank normally classifies the enterprises (businesses) according to the annual income generated from those enterprises. If it's micro enterprise then the annual income generated ranges from 1.5 million Baht to 10 million Baht, if it's small enterprise then 10 million Baht to 50 million Baht and if it's medium enterprise, the annual income generated usually ranges from 50 Million Baht to 400 Million Baht. Therefore for

the enterprise to be classified as SMEs, their annual income ranges from 10 million Baht to 400 million Baht.

2. What kinds of support and consulting do you give to SM hotels?

The bank provides financial management advice as well as financial support to SMEs customers so they are able to run their businesses smoothly. Besides the provision of loans, they also provide advice on how to set up their businesses for sustainable growth. The respondent from the bank stated that the bank has SME care unit in which it has set up venture capital in order to provide more financial support to the SMEs besides from taking loans. SME care unit also gives advice and provides training courses to its SMEs customers.

In order to increase the competitiveness of SMEs businesses, the bank has co-operated with private and public institutes such as institute for small and medium development, Thailand productivity institute in order to give business consulting as well as doing business competitiveness diagnosis in order to analyze the strengths and weaknesses of the company and give advice to them on how to improve their productivity and efficiency. The bank also its own research centre, which is one of the top economic research centers of the country, therefore SMEs operators can follow on business and economic developments.

The respondent stated that the bank has emphasized giving education to SMEs operators, that's why it has co-operated with various private and public institutions in organizing workshops and training series in various topic areas. The respondent stated that the training series and workshops are tailor made according to the majority of type of businesses located in one particular area or province. The respondent stated that in Phuket, the bank has organized various workshops and training series for SM hotels in the areas of human resource management, e-marketing, an analysis of business plans and suggestions on minimizing your operational cost.

Normally the workshops last for three days. In human resource management, the workshop focuses on staffing planning, the updated labor laws, how to motivate the staffs to work with the hotel and the discussions of problems and solutions among the attendants of the workshop. At the workshop on minimizing operational costs the bank has co-operated with OSMEP in helping SM hotels minimizing their expenses; the workshop encourages them to bring

their expense statement and help them analyze on how to reduce the total cost and save more energy. In addition, there is also a seminar every year for its SMEs customer about the economic situation of the country.

3. What do you think are the problems and challenges faced by SM hotels?

The respondent from the bank stated the main problem faced by small hotels are the very limited capital funds. The respondent also said that the services offered in these small hotels are not standardized as their staffs are not very skilled and owners do not have enough experience. For medium-sized hotels, respondent stated that it faces major competitive challenge as there are many new and existing chain hotels in the area. Medium-sized hotels have to really focus on improving the standards in order to keep and attract more customers. They should try to differentiate themselves from those competitors in order to operate sustainably. The respondent also commented that medium-sized independent hotels have high staff turnover rate and human resource management is one of the major concerns for them.

4. In which areas do you think SM hotels need government support?

Respondent emphasized political stability from the government. Respondent stated that government should encourage tourism by promoting special interest sites for each province in order for each province to have its unique attraction and hence helps in boosting tourism. The government can also arrange some travel fairs abroad to promote various provinces. However, political stability is the most important.

5. In which areas do you think SM hotels need any private consulting?

The respondent stated that SM hotels would need consulting on cost control planning or operational audit in order to help them minimize operational costs, as their costs are quite high when compared to the income earned. The respondent also stated that they would also need consulting in marketing; in the areas of sales and marketing planning, e-marketing and positioning of the hotel.

3.2.5.5 Interview results with THA (Thai Hotel Association)

1. What kind of hotels can become member of THA?

Respondent stated that all kinds of hotels, whether small or big, chain or non-chain, can become a member of THA but the hotels must possess legal certification for the right to operate.

2. Does THA organize any workshops or support to the hotels that are not the member of THA or not? If yes, in which areas?

Workshops organized by THA are organized regularly for the members of the hotels. The workshops are related to hotels operations and management. In some cases, when the workshops need more participants, non-members are allowed to join but there will be charges for joining the workshop. In time of crisis, when the hotels face a negative impact, THA will act as an intermediary in helping and providing useful information to all the hotels.

3. What kinds of support do you give to SM hotels?

The main task of THA is to deliver useful information in operating hotels to the members. In case of crisis which causes negative impact to the hotel industry such as impact from closure of airports or negotiations with the AOT (Airport Authority of Thailand) to reduce the surcharge charged to the airplanes when landing, THA will coordinate with several departments both within the government and private institutions, to solve the problems for the members. THA also provides information on occupancy rates of the hotel for each month too. THA is not responsible for solving problems or providing consultancy service to any particular hotels.

4. What do you think are the problems and challenges faced by SM hotels?

The hotel industry is very competitive nowadays. For hotels to sustainably survive and be competitive there needs to be ongoing development in human resource as well as sales and marketing areas. SM hotels faced financial and resources constraints to properly manage themselves. The services offered in these hotels are not standardized and there is inconsistency in service delivery. These hotels still face the challenges of getting legal certification to operate the hotels. A number of hotels operate without being responsible to the environment.

5. In which areas do you think SM hotels need more government support?

The hotels need more financial support, it can be in the form of long term lease or low interest loans so that these hotels can operate effectively. These hotels also need support in human resource development which can be helped via labor organization, as well as in sales and marketing management in which government can help them via the Ministry of Sports and Tourism. Government bodies should issue legal certificates for operating the hotels quicker as it takes long time now to have one issued, and the government should reduce the several surcharges which hotels have to pay to government in operating the hotels.

6. In which areas, do you think SM hotels need any (private) consulting?

The respondent stated legal as well as sales and marketing management consulting as the areas in which SM hotels would need consulting.

CHAPTER 4

SUMMARY

This chapter is designed to conclude, discuss and provide recommendations based on the research findings as well as to identify the limitations of the study and suggest areas for future research. It starts with a summary of the main findings of the survey, followed by a discussion of the results based upon the research objectives. The research objectives, as identified in Chapter 1, are as follows:

- 1) To identify the challenges facing SM independent hotels in Thailand
- 2) To investigate the consulting experiences and consulting needs of SM independent hotels
- 3) To provide recommendations for assisting SM independent hotels in overcoming their challenges through more appropriate consulting, training and practices.

The survey collected 68 usable questionnaires through a census sampling method of 543 SM independent hotels in Phuket and Bangkok. Considering the low response rate of 12.5%, ten semi-structured in-depth interviews were conducted with General Managers of SM independent hotels in Bangkok and Phuket. In addition, four semi-structured interviews were conducted with officials from an SME Bank, the Office of Small and Medium Enterprises Promotion (OSMEP), the Thai Hotel Association (THA) and the managing director of C9 Hotel works, the hospitality consulting company in Phuket.

The quantitative data was analyzed by using SPSS (Statistical Package for the Social Sciences) 16.0 for Windows in terms of descriptive statistics, One-Way ANOVA and Independent Samples t-test. Content analysis was employed for qualitative data analysis in order to aggregate themes.

4.1 Summary of main findings

4.1.1 Characteristics of SM independent hotels

From the quantitative survey of 68 questionnaires, the majority of respondent hotels were from Phuket (70.6%) and the rest (29.4%) from Bangkok. The majority of SM independent hotels (35.3%) were holding between 1-50 rooms and 51-100 rooms. With regard to the number of staffs, the results indicated that the majority of them (52.9%) hold between 1-50 staff 111 terms of the years of operations, most of the hotels (33.8%) have operated between 1-5 years and majority of them are classified as three stars, representing 52.9%. With respect to the current position of the respondents who filled out the questionnaire, the results showed that general managers (67.7%) represented the majority, followed by owner respondent (13.2%), family member of the owner (11.8%) and others (7.3%).

From the qualitative survey, five hotels were from Bangkok and five were from Phuket. All of the interviews were conducted with general managers/owners except for one hotel in Bangkok where the executive assistant manager was interviewed.

4.1.2 Challenges faced by SM independent hotels

The challenges are grouped into several groups, such as economic uncertainty, sales and marketing management, human resource management, strategic planning, crisis management planning, ICT adoption, corporate social responsibility, operational management issues, financial issues and legal matters. The results from the questionnaires revealed that respondents rated only “economic uncertainty” as highly challenging and rated other factors as challenging at intermediate level. However, within the individual factors, individual challenges were found to be challenging at high-level. The ranking of the factors by the general managers starting with the most challenging ones were economic uncertainty, sales and marketing management, strategic planning, crisis management planning, human resource management, ICT adoption, corporate social responsibility, operational management, financial issues and lastly legal matters. Interviewed results revealed human resource management, sales and marketing management, economic uncertainty, political instability, operational management and managing cash flows as challenges expressed by general managers.

Respondents were asked to rate the level of challenges facing their hotels using 5 point numerical scale from very low (1) to very high (5). They rated operating with “economic uncertainty” (mean = 3.88) as a high-level challenge. This might be because during the time of data collection hotels still face the affect of economic recession. While more than half from interview results also agreed on this external factor economic uncertainty. Interviewed respondents are optimistic about the recovery soon but what concerns them most now is the political situation of the country, which they expressed that it is really destroying tourism and there seems to be no way out yet.

The other challenges included “sales and marketing management” (mean = 3.31) which respondents rated as a challenge at medium-level. However, within this factor, respondents rated “maintaining competitive advantage” (mean =3.62, where 55.9% rated it as high or very high-level challenge), “differentiating products & services” (mean = 3.47, where 53.0% rated it as high or very high-level challenge) and “track changing customers needs” (mean = 3.51, where 52.9% indicated as high or very high- level challenge) as highly challenging. Qualitative results from the interviews also revealed that most of the respondents agreed on the challenge of understanding and tracking customer’s changing needs and maintaining competitive advantage. Interview respondents have also expressed their challenges about the oversupply of hotels rooms which they expressed causes rate damage. Online marketing was also expressed as an important challenge by most of the GM respondents. General Managers stated that online presence is quite important and managers cited the challenge of adopting comprehensive online strategy or develop suitable partnerships with aggregators, as they are still unable to control price because of low negotiation power and have to accept the terms offered by online distributors which leads to low RevPAR (Revenue per Available room). OSMEP respondent also commented that these hotels are highly dependent on agency and cannot sell directly to their customers.

Respondents have also stated their challenge in developing the right pricing strategy. As they said competition nowadays is very intense therefore setting the room price to maximize profit and still be competitive is quite challenging. As a result “implementing revenue or yield management” is rated by almost half of the general managers as high or very high level challenge. As one respondent put, *“Keeping the occupancy level to a satisfactory level without*

having to discount room rate is very challenging.” This is confirmed by the fact that most of the respondents stated decreasing revenue per available room as their concerns. OSMEP also added another comment that these hotels normally compete on pricing. Some of the respondents expressed that nowadays branded 4 and 5 stars hotels are offering 3 stars price, and this is really challenging for them to bring back their customers and cause them to lose their market shares. Some others have expressed concern about how they should reposition the hotel in order to maximize value so as to increase revenue per available room while avoiding a price war with other hotels. The consultant respondent added the reason that these hotels do not have a sound marketing strategy.

Negotiating with travel agencies was expressed as a challenge by some of the respondents. They stated that it is not easy at all to negotiate the price with travel agencies or tour operators in order to get the best deals. *“How should I increase the contract rate with the agency and have the agency think that it is reasonable”*, cited one respondent. One of the respondents stated that collecting the money from the agencies is really very difficult. Respondents also showed their concerns related to the oversupply of hotel rooms. Others expressed the challenge of retaining old customers. *As one put, “Making repeat customers is not easy at all nowadays, given the number of new hotels now”* Lastly in this area, GM respondents expressed that to do sales and marketing effectively to reach target goals is very challenging.

Also considered challenging at intermediate level is “human resources management” (mean = 3.24), where within this respondents indicated “attracting skilled employees” (mean=3.49) as a high-level challenge. 80.9%, 70.6% and 67.7% have also rated “training employees” (mean = 3.29 which is a medium-level challenge), “finding executives” (mean = 3.24) and “high staff turnover” (mean=2.93) as medium or highly challenging. While human resource management is the fifth most important challenge in the questionnaire, interviewed managers mentioned it as the most important challenge. Majority of the interviewees mentioned the challenges of attracting skilled employees, finding time to train or launch successful training programs and high staff turnover. *“How to get staffs to be motivated to take part in the training programs and take most out of it, it is even more challenging for us”* respondents stated. Representatives from consulting company, THA, SMEs unit and OSMEP

cited the lack of skilled employees in these hotels as their concern which is consistent with questionnaire results, while consultant further commented that training is not usually done in these hotels that is why staffs are not very skilled, and respondents from SMEs unit and OSMEP also cited high staff turnover rate as the problems in these hotels. Finding executives was expressed as a challenge by some of the GM respondents while minority commented on the problem of snatching employees among the hotels.

Quantitative results revealed that respondents rated “planning strategically in a competitive environment” (mean = 3.56) as a high-level challenge. “Crisis management planning” (mean =3.29) is viewed as a challenge at medium or high level by 79.4%, while only 5.9% indicated it as a very high-level challenge. “ICT adoption” which includes e-marketing, (mean=3.26) is a medium-level challenge in which 36.8% rated it either 4 (high) or 5 (very high). Most of the Interviewees’ agreed that online marketing is an important challenge for them and cited lack of specialist in this filed as their concern.

“Reducing the use of energy” (mean=3.22) under “corporate social responsibility” (mean = 3.18) is viewed as a challenge at very high level by only 4.4% while challenging at high level by 29.4%. Interviewees expressed that reducing the use of energy can make them reduce overall costs. Within “operations management” (mean = 3.14) which is also challenging at intermediate level, more than 70% of general managers rated “benchmarking the operations” (mean = 3.28) and “food and beverage management” (mean= 3.22) as medium or high-level challenge. Interviewed results also revealed the challenge of food and beverage management in terms of increasing sales as well as attracting outsiders to come and use the restaurants.

Some of the respondents stated their challenges in the service quality. Quantitative results also showed that 29.4 % have rated “inconsistency in service delivery” (mean = 2.96) as high or very high level challenge. Interviewed respondents stated that keeping to the standards as well as enhancing service standards is quite challenging. As one put it, *“Trying to have better service standard in order to promote to clients that independent resorts are more preferable is not easy.”* Other respondents expressed that keeping most of the guests satisfied while staying with them is also quite challenging. The respondents from SMEs unit and THA also expressed the problem of lack of standards in these hotels. Few respondents also expressed concern that as

there are many new hotels nowadays, they need product renovation to keep up with the market as well as enhancing the service standards to compete with the new hotels.

General Managers showed comparatively less concern by “financial issues” (mean = 2.97) as compared to the above mentioned challenges, but still present as the challenge at intermediate level. “Access to finance” (mean = 2.87) and “limited capital and resources” (mean = 2.97) are challenging for the respondents at medium level. Respondents from OSMEP, SMEs unit, consulting company and THA also stated availability of limited capital as these’s hotels main concerns. However, very few interviewees have cited availability of limited capital as their concern which is quite surprising. While “managing cash flows” which received mean ratings of 3.06 from questionnaires was also expressed by most of the interviewed respondents as quite challenging because of high operating costs. Other respondents showed their concern in cost control in order to maximize profit which they said is particularly challenging. One manager puts, *“To manage overall budget to be in line with the other hotels in the same class is particularly challenging.”*

“Managing taxes” got the mean rating of only 2.74 under “legal matters” (mean = 2.77), and very few interviewees mentioned managing taxes as their concern. “Complying with environmental law” is challenge at medium level while respondent from THA added that these hotels usually operate without being responsible to the environment.

The consultant made further comments about the challenges of these hotels: most of them do not have long term plans as they do not have an institutional approach to business planning and rely more on short term plans. *“They don’t usually rely on systems, procedures, long term plans and marketing strategy.”* OSMEP respondent cited lack of experience of management and weak management structure as they still operate their hotels like family style as their challenges. THA added their challenges in applying for legal authorization to operate the hotels legally.

Independent sample t-test was conducted to see whether there are statistically significant differences ($p < 0.05$) between the level of challenges faced by hotels in Bangkok and Phuket. General Managers in Bangkok perceived challenges in “operations management” (mean=3.41), “sales and marketing management” (mean = 3.62), “ICT adoption” (mean = 3.57),

“strategic planning” (mean =3.75) and “crisis management planning” (mean = 3.75) more than general managers in Phuket.

One Way ANOVA was also conducted to see whether there is a significant difference ($p < 0.05$) between the levels of challenges faced among the hotels with different room number, staff number and star levels. The results revealed that there are no significant differences between the levels of challenges faced between hotels with different room number. However, there is a significant difference between level of challenges faced and hotels with different staff number in “declining revenue per available room” where hotels with less staffs perceived “declining revenue per available room” more challenging than hotels with 151-200 staffs and more than 200 staffs. One way ANOVA test also revealed significant differences between levels of challenges faced and hotels with different star levels in “insufficient distribution channels” where 5 stars hotels perceived this to be very low level challenge compared to hotels with different star levels.

4.1.3 Consulting experience and needs

Regarding the consulting services, 50% of the respondents have taken consulting services before (52.1% of hotels in Phuket and 45% of hotels in Bangkok). The top five areas in consulting services they have taken are consulting in “sales and marketing management” (29.4%), “accounting” (26.5%), “legal” (25.0%), “human resource management” (25.0%) and “operations management” (25.0%). The top three consulting services used by hotels in Bangkok are consulting in “sales and marketing management” (35.0%), “legal” and “human resource management” with 30.0% while hotels in Phuket have used consulting in “sales and marketing management” (27.1%), “operations management” (25.0%), “human resource management” and “legal consulting” with 22.9%.

Qualitative results revealed that the majority of respondents in Phuket and Bangkok have taken consulting in structure building during the building phase to ensure everything goes according to the plan and IT consulting when setting systems. During operations, most of them have taken consulting in accounting, finance consulting from bankers and legal consulting. Nearly three quarters of the respondents stated they have taken training services from lecturers of various universities to train their staffs about service attitude, English language and increase motivation

while less than half have sent their staffs to training company to learn some specialist areas such as online marketing.

Half of the respondents stated that they have taken consulting in sales and marketing management, e-marketing, human resource management, risk management, cost control, reducing the use of energy, financial consulting from OSMEP, SMEs banks and universities such as Thammasat and Chulalongkorn who worked in collaboration with government agencies to support small and medium enterprises. Some respondents in the questionnaire stated have taken consulting in quality management and few have used consulting in overall management. Less than half have taken consulting in preventive maintenance which helps them reduce costs.

Regarding the need for consulting services, quantitative results revealed that 83.8% would consider using some kind of consulting services in future (83.3% of hotels in Phuket and 85% of hotels in Bangkok). The top five consulting that they would consider using are consulting in “sales and marketing management” (72.1%), “human resource management” (67.6%), “operations management” (60.3%) , “IT” (50.0%) and “accounting” (48.5%). The top five consulting services that hotels in Phuket would consider using are consulting in “sales and marketing management” (68.8%), “human resource management” (64.6%), “operations management” (58.3%), “accounting” (52.1%) and “IT” (50.0%) while the top five consulting services that hotels in Bangkok would consider using are consulting in “sales and marketing management”(80.0%), “human resource management”(75.0%), “operations management” (65.0%), “IT” and “quality management” with (50.0%).

However, according to the interviews, interestingly more than half of general managers stated that as owners have already hired them and they do have extensive experiences in this field so their need for consulting might be low. Of those, who would consider using, majority of them stated that they the need for training services in the field of service mind, increasing motivation, English skills, teamwork and communication. They noted that they will not need job specific training but consultant emphasized the need for job specific training. Half of the respondents stated they might want to have e-marketing consulting while respondents from OSMEP, THA, SMEs unit and consultant agreed on the need for sales and marketing consulting

on sales planning, market analysis, positioning and negotiation with wholesalers. Less than half of the respondents from Phuket stated the need for negotiation skills training and presentation in order to approach and negotiate better deals with travel agencies.

Less than half of the respondents from both provinces stated the need for food and beverage consulting in order to increase sales of the restaurants and consultant also agreed on the need for this consulting. Few respondents from Phuket and Bangkok would like consulting company to survey their guest satisfaction, survey guests changing needs as well as mystery shopper for them to increase their overall quality. Few respondents in Bangkok would like to get the consulting company to do the competitive study for them, to analyze their competitors and their pricing techniques and one of the owner general managers in Bangkok would like the consultant to analyze for them whether which departments they should outsource and which ones they should operate by themselves in order to maximise profits. Very few respondents from Bangkok would like to get consulting in preventive maintenance in order to reduce costs.

Some of the respondents stated that they will need project development consulting and feasibility study when they would like to expand their business. Less than half of the general managers also stated that they would like to know some new trends about marketing in the market from the consultant. Lastly, majority of respondents stated that they will most of the time need consulting in accounting, legal consulting and IT consulting in terms of maintenance.

Less than half of the respondents from the questionnaire added consulting in quality management to improve service standard as valuable for their hotels. Few mentioned the need for consulting in financial management, overall management, strategic management and costs control in which OSMEP and SMEs respondents totally agreed. Very few stated environmental consulting as areas of valuable consulting.

OSMEP and SMEs unit respondent added SM hotels might need consulting in writing business proposal and due diligence in order to submit for loans for further development while consultant emphasized consulting service in re-development to help increase RevPAR.

4.2 Discussion

This part discusses the challenges faced by SM independent hotels based on the primary data collected from 68 questionnaires and 14 interviews and the secondary data gathered from books, articles, journal papers and websites used in the study.

4.2.1 Objective 1: Challenges facing SM independent hotels in Thailand.

The challenges are grouped into the headings such as sales and marketing management, human resource management, strategic planning, crisis management planning, economic uncertainty, ICT adoption, operational management issues, corporate social responsibility, financial issues and legal matters. The results from the questionnaires revealed that respondents rated only “economic uncertainty” as highly challenging, and rated other factors as challenging at intermediate level. However, within the individual factors, individual challenges were found to be challenging at high-level. The ranking of the factors starting with the most challenging ones were “economic uncertainty”, “sales and marketing management”, “strategic planning”, “crisis management planning”, “human resource management”, “ICT adoption”, “corporate social responsibility”, “operational management”, “financial issues” and lastly “legal matters”. Interviewed results revealed human resource management, sales and marketing management, economic uncertainty, political instability, operational management and managing cash flows as challenges for general managers. The discussion below follows these topics:

Sales and Marketing Management

The findings are similar to those of Collins, Buhalis and Peters (2003) and Avcikurt (2003) in which sales and marketing management is identified to be one of the major challenge and important problem areas by SM hotels. Respondents have expressed their main concerns in maintaining competitive advantage, tracking changing customer’s needs and differentiating from competitors. The reason could be attributed to the lack of marketing research in hospitality SMEs which many previous researchers have indicated (Buhalis, 1996; Jones and Haven-Tang, 2005; Hashim and Wafa, 2002); as a result these SMEs fail to achieve their full potential by understanding their customers’ needs and exceed customers’ expectation (Buhalis, 1996). Interviewed respondents did also mention understanding customers’ needs as a challenge for them. In addition, OSMEP and SMEs Bank also cited that these hotels normally compete on

price that is why they find it difficult to maintain and differentiate themselves from competitors. Similarly, Campbell-Hunt (2000) stated that those SMEs who compete on price were in highly competitive markets with little or no product differentiation and the entry barrier is low. Carson and Cromie (1989) also added that because the distinctive marketing style of SMEs which has little or no adherence to formal structures results in marketing that is simplistic, haphazard, often responsive and reactive to competitor activity. However, the results of the study conducted by Enz (2009) also revealed that maintaining competitive advantage and track changing customer's needs are challenges for managers in the lodging industry, not specifically SMEs, which could imply that these even present more challenges for SMEs as previous researchers mentioned that SMEs lack specialized marketing expertise (Gilmore, Carson and Grant, 2001; Peters and Buhalis, 2004). This further supports the findings of this research where respondents indicated their challenges in insufficient marketing support and planning sales strategy.

The oversupply of hotel rooms is also one of the concerns expressed by general managers/owners of the hotels and consultant confirmed and stated that this causes rate damage to the hotel industry. Government officials have to take an active role to control unauthorized hotels operating.

The challenges of having the best pricing strategy as expressed by interviewees could be explained that the practice of revenue management has not been properly done in SMEs. Likewise, the results of study by Luciani (1999) also showed that there is a low level of yield management implantation in many Italian SM hotels. Negotiation with tour operators was also a concern for respondents which provide support for various previous studies that SMEs tend to overrely on travel intermediaries which put them at competitive disadvantage (Buhalis, 1996; International Labor Organization, 2001; Buhalis, 2000; OSMEP, 2007), thus explains why insufficient distribution channel was a concern by respondents. Moreover, it is recommended that SM independent hotels should establish strategic alliances with other SM hotels, which will allow a high information interchange between members and will therefore help in establishing the best pricing strategy as well as track changing customers' needs. SM independent hotels should also consider creating of loyalty programs which might have a positive impact in retaining old customers, which is a concern for some respondents.

Another main challenge cited by respondents is online marketing. Interviewed managers have realized the importance of online presence and have cited the challenge of adopting comprehensive online strategy or developing suitable partnerships with aggregators (online travel agents), as they are still unable to control the price because of low negotiation power and have to accept the terms offered by online distributors which leads to low RevPAR (Revenue per Available room). Buhalis and Kaldis (2008) have cited the reasons for the difficulty to adopt a comprehensive online strategy as lack of human resources and expertise. Hotels really need to develop comprehensive online strategy in which they need to adopt multi-channel strategies to take advantage of a number of different types of intermediaries and enable them to determine the terms and conditions with distribution partners and have control over price, which in turn can assist in increasing RevPAR. Buhalis and Kaldis (2008) stated that not having the comprehensive online presence or failing to adopt a multi channel strategy effectively can mean invisibility in the market place or strategic disadvantage.

Customer relationship management also received a mean rating of 3.34 which is similar to the results of Moriarty, Jones, Rowley and Kupiec-Teahan (2008). Imrie and Fyall (2000) reminded that while large hotels have sophisticated CRM systems based on strong branding and loyalties schemes such options are not available to small hotels as many customers do not re-visit small hotels.

Human Resources Management

The findings are consistent with those of Collins, Buhalis and Peters (2003) and Avcikurt (2003) in which human resource management is identified to be the major challenge and the most important problem areas by SM hotels. Enz (2009) also showed that managers all around the world are concerned about human resource issues such as attraction, training and retaining skilled workers.

Attracting skilled employees and high staff turnover are some of the main challenges identified by the majority of interviewed respondents. This is consistent with earlier research which showed that SMEs find it difficult to attract and retained qualified staffs (Buhalis, 1996; OSMEP, 2007; Briggs, Sutherland and Drummond, 2006) which results in a lack of skilled and quality labor and is thus becomes an area of main concerns to SMEs. One general manager

stated that the benefits offered at chain hotels are more lucrative than independent hotel that is why it is difficult to attract skilled employees but it is easier to attract inexperienced staffs to work with and once they are experienced they tend to change their jobs and move to chain hotels. Similarly, previous researchers have cited that small firms have higher probability of high staff turnover as compared to large firms because they offer fewer opportunities for career development (Arthur and Hendy, 1990; and Story, 1994) and uncompetitive salary and benefits (Buhalis, 1996). Interviewees also stated employees' low morale as the causes of high turnover and one of main concerns for them.

Training employees was also expressed as an important challenge in this study. Finding time to train or launch successful training programs were particularly challenging for interviewed respondents. These results provide support for the previous studies where many researchers have cited training deficiencies in SMTEs as one the weakness and competitive disadvantage of SMTEs (Buhalis and Main, 1998, Kitchung, 2000 and Briggs, Sutherland and Drummond, 2006). Similarly, the study conducted by Avcikurt (2003) in small and medium-sized hotels in Turkey also revealed that employees at all levels often lack professional training and the comparative shortage of trained managers has been mentioned as one of the severe problems in tourism development of Turkey. Small and medium-sized hotels also experience problems in providing training for both owner-manager and workers (Avcikurt, 2003; Curren et al., 1996) while many owner-managers of small and medium-sized hotels regard human resource development and training as operating expense rather than investment (Collin and Buhalis, 2003; Kerr and McDougall, 1999; Marshall et al., 1995; Blackburn and Hankinson, 1989). The difficulties of finding time to train and launch successful training programs was consistent with Enz (2009) where many hotels managers expressed these challenges.

The challenge of finding executives was also expressed by some of the interviewed respondents who cited the reason of uncompetitive benefits as the reason. The results of Enz (2009) also revealed that executives of hotels noted that finding top talent for general managers is very difficult. Some interviewees also expressed the challenge of snatching of employees among the hoteliers as a problem. The implication might be that there is shortage of skilled staffs in this industry.

Strategic Planning

Strategic Planning presents as one of the top three main challenges faced by SM independent hotels. Previous researchers have cited that SMEs have poor strategic planning (Hwang and Lockwood, 2006), are more concerned with daily operations rather than strategic planning (Avcikurt, 2003) and focus more on short term objectives (Stonehouse and Pemberton, 2002). Garengo et al. (2005) further added that because they are often time poor as such they tend to focus on operational activities. This is confirmed in this study as respondents have accepted that insufficient time/ability for strategic planning as a challenge for them at a medium level. Planning strategically in a competitive environment is rated as highly challenging for respondents which could imply the weak management skills, insufficient ability or engage more on operational activities as previous researchers have indicated. The lack of sufficient time could also be attributed to the fact that managers/owners are reluctant to delegate task or power to their employees, which makes managers/owners spend most of their time in operational activities. Hotels in Bangkok experienced these challenges more than hotels in Phuket implying the weaker management skills or the political situation during the time of data collection where management needs to focus more on short term planning. Similarly, the study conducted by Enz (2009) also revealed finding time for strategic planning as a challenge for senior managers in lodging industry. Given the competitive pressures, SMEs managers need to think beyond the short terms objectives in order to be stay sustainably in the industry. Stonehouse and Pemberton (2002) indicated that the lack of strategic planning prevents SMEs to take advantage of emerging opportunities for improving their competitiveness and profitability and become an important factor of high business failure rates in SMEs.

Crisis Management Planning

This is one of main challenges identified by respondents. However, there is little literature that has focused specifically on crisis management in SMEs. Respondents have cited the economic uncertainty and political instability as their main challenges, however they are positive about the recovery of the economic soon but what they are still concerned with is the political situation of the country. The study conducted by Campos (2009) also revealed that political instability and economic crisis were seen as the top two threats affecting hotels in Phuket

while the study conducted by Enz (2009) also showed that respondents considered economic and environmental uncertainty as the second important concern following human resource issues. The results of t-test also revealed that hotels in Bangkok faced this challenge more than hotels in Phuket, which is quite understandable as during the time of data collection, political situation in Thailand especially in Bangkok was very intense and protestors use Bangkok as the base for their protests. However, respondents hope the Tourism Authority of Thailand will be able to restore tourists' confidence and initiate some promotions to attract tourist from worldwide.

ICT Adoption

ICT adoption was rated as a challenge at a medium level by the respondents. Respondents have also rated "limited IT skills employees" as a challenge which is consistent with the interviewed results. Similarly, a study by Chobkay (2007) in ICT application in SMTEs in Thailand also showed that more than half or 69% did not have ICT support staff in their company. Buhalis and Kaldis (2008) have also cited the lack of IT skilled employees as the reasons for limited ICT adoption along with lack of resources and lack of awareness of the potential benefits. Almost all of interviewees agreed that they have their website and use the internet, the e-marketing or e-commerce section has been mentioned in sales and marketing section already. However, the results of having website of the respondents are higher than the study of ICT applications for small and medium-sized tourism enterprises in Thailand in 2007, where 33% of the SM hotels had presented online by their website (Chobkay, 2007) however it can be noted that their websites are not very active in e-marketing. This is evident here as respondents find "search engine optimization (SEO)" as a challenge almost as important as "ICT Adoption". Similarly, the results of a study conducted by Murphy and Keilgast (2008) revealed that although all the small and medium-sized hotels have a website, they do not exploit search engine marketing. The reasons could be attributed to the lack of knowledge about the potential benefits or limited IT skilled employees. It can be argued that ICT can offer significant advantages in operational, tactical and strategic management in small and medium-sized hotel enterprises (Buhalis and Main, 1998); therefore SM Independent hotels should use this to create source of competitive advantage (Avcikurt, 2003).

Operational Management

Competitive benchmarking is also viewed as a challenge for SM independent hotels in this study in which Monkhouse (1995) stated that the relevant benchmark tools and techniques may either be unknown or inaccessible which becomes disadvantage for SMEs. Francis et al. (1999) have identified a number of problems experienced during costly and time consuming practice of benchmarking (in descending order of frequency) as difficulties in finding partners who were suitable competitors, resource constraint (especially time), access to other organizations, staff resistance and confidentiality. Hwang and Lockwood (2006) further identified the lack of competitive benchmarking as a barrier to implement best practices therefore SM independent hotels should give importance to benchmarking for continuous improvement so as to make business more successful (Milohnic and Cerevic, 2002).

There is a difference with the results conducted by Avcikurt (2003) where food and beverage management was noted not to be great problem but this is an important challenge identified by this study. Housekeeping and front office operations and management were also viewed as a concern for respondents which could imply the lack of specific management skills in these areas.

Another area of concern was high operating costs, which is similar to what Buhalis and Costa (2003) have mentioned. This is because the lack of economies of scale (Avcikurt, 2003; Buhalis and Costa, 2003) but may also be the result of ineffective management.

Inconsistency in service delivery was also a problem for some respondents. Questionnaire respondents commented that keeping and enhancing service standards are quite challenging for them. They further added that keeping the guests satisfied is even more challenging. Similarly, Kozak and Rimmington (1998) reported that hospitality SMEs are unable to give consistently high service quality. Hwang and Lockwood (2006) cited that training helps in achieving consistent standards and providing timely, reliable, responsive and competent service and have also listed consistent standards as one of the key capabilities that underlie the adoption of best practices for SMEs.

T-test results revealed that operational management is more challenging for hotels in Bangkok than in Phuket which might be the result of political protests during the time of data collection.

Corporate Social Responsibility

Reducing the use of energy is challenging for respondents at intermediate level and this could be attributed to human resources constraints and financial constraints as previous researchers stated (Sarbutts, 2003; Vives, 2006). Being socially responsible to the community also presents as a challenge for respondents at medium level.

Financial Issues

Access to finance and limited capital and resources represented as the challenges for the respondents at intermediate level like the above mentioned challenges but relatively lower concerns as compared to the above mentioned ones. Many researchers have mentioned the limitation of capital and resources of SMEs to be one of their characteristics, and access to finance has been the problem for SMEs as they have fewer assets to support their request for loan (OSMEP, 2007; Buhalis and Costa 2006; Hwang and Lockwood, 2006 and Buhalis, 1996). Also, respondents from OSMEP, SMEs unit, consulting company and THA stated the limited availability of capital as these hotels' main concerns. However, to just look at the mean results of this study might be misleading, the possible explanation is that for SM hotels who strive to expand, this might present as a challenge at high or very high level but for those SM hotels who just want to remain as they are might be a challenge at medium or low level. However a study conducted by Saleem and Weerakit (2008) revealed that more than half of hospitality SMEs did not face any type of difficulties while accessing to finance. This could be because they solved their financial needs by requesting loans from their families or friends (Hussain and Matlay, 2007) or the result of initiatives from government agencies aimed at helping SMEs. Cosh and Hughes (1994) suggest that the owner or manager chooses first a personal source of finance; second short term borrowing; third longer term debt and finally, the least preferred, quiet finance which might affect his/her control upon the businesses. Nevertheless, the findings should not be taken to imply that access to finance is not a problem for SMEs but further investigation is needed.

Managing cash flows which received mean ratings of 3.06 from questionnaires was also expressed by most of the interviewed respondents as challenging because of high operating costs. It has been emphasized that cash flows play the key role in the ongoing success of business and linked to the report on performance measurement (Hwang and Lockwood, 2006). Other respondents showed their concern in cost control in order to maximize profit which they said is particularly challenging. SMEs bank and OSMEP also agreed that these hotels have high operating costs and need to control costs.

Legal Matters

This is another area where respondents have expressed fewer concerns as compared to the other challenges. However complying with environmental laws and managing taxes still present a challenge at the intermediate level for the respondents. Hollis (2003) added that small hotels are largely concerned with taxation. However, in this study the reasons for lower concerns in managing taxes as compared to other challenges could be the fact that many of these hotels have been using consulting in accounting in order to assist them with tax-related payments.

4.2.2 Objective 2: Consulting experiences and consulting needs in SM independent hotels

Consulting experiences

The findings showed that half of the respondents (52.1% of those in Phuket and 45% of those in Bangkok) have used consulting services. The top consulting services used by them are in the areas of sales and marketing, accounting, legal, human resource management and operations. Nearly three fourths of the interviewees have taken training from lecturers from various universities and half of the interviewees have taken consulting in marketing management, e-marketing, human resource management, risk management, cost control, reducing the use of energy and financial consulting from OSMEP, SMEs Bank and sometimes from THA. It can be noted that the consulting services they got are from government agencies and banks which most of the time are free. This however supports the findings of Erhvervsfremme Styrelsen (1999, cited in Christensen and Klyver, 2006) which stated that SMEs often have less routine in their use of professional consultants. More than half of the interviewees indicated that they have used connections in taking consulting. Johannisson and Linmark (1996) and Monsted (1985, cited in

Christensen and Klyver, 2006) mentioned that the gap of frequency between the difference of the use professional consulting services between the large and small firms is explained by substitution effects, hinting at the use of informal management advice through family members, colleagues, friends as well as formalized exchange of advice with those partners involved in running the daily business, such as suppliers, banks, solicitors and accountants.

The exception to the use of professional consultants is when they used consulting in structure building, IT consulting in systems and networks, consulting in accounting and legal consulting. Interviewees expressed that consulting in accounting that they have taken is in the field of preparing for paying taxes and doing auditing before applying for tax payment. Similarly, the results of the study conducted by Frank (1985) showed that 81% of small business owners have tax advisors. This is also supported by Lachnit and Mueller (1993, cited in Kailer and Scheff, 1999) who stated that the most important co-operation partners in the know-how area for SMEs are tax consultants. Frank (1985) added that only 27% of small business owners have never called lawyers, which could imply that most of them have used legal consulting which is similar to the results of this study.

In addition, some respondents from questionnaire mentioned having used the quality management consulting and few mentioned have used consulting in overall management.

Consulting needs

The quantitative results show that 83.3% of the respondents would consider using some kind of consulting services in the future which is consistent to the results of Siegemund (2008). The top consulting that they would consider using are in the areas of sales and marketing management, human resource management, operations management, IT and accounting. The results are consistent with Avcikurt (2003) where human resource management and sales and marketing management are the top two functional needs' areas where managerial training is perceived to be most useful in SM hotels. Interviewees added that they most of the time need legal, accounting and IT consulting while OSMEP and SMEs unit respondent added that SM hotels might need consulting in writing business proposal, due diligence and cost control planning or operational audit to help them reduce and control costs while the consultant emphasized consulting in re-development to help increase RevPAR.

Interviewees mentioned that they need training services in the field of service mind, increasing motivation, English skills, teamwork and communication. They noted that they will not need any job specific training but the consultant emphasized on the need for job specific training. Some respondents from the questionnaires pointed at manpower planning and recruiting in human resource management as valuable consulting for them.

E-marketing consulting was most of the time mentioned by respondents following sales and marketing planning and training, with which OSMEP, SMEs Bank and the consultant agreed. Some respondents from the questionnaire also commented on consulting in revenue management, public relations and differentiating from competitors as valuable areas of consulting. Less than half of the respondents from Phuket stated the need for consulting in negotiation skills training and presentation in order to approach and negotiate best deals with agency and few from Bangkok would like consulting company to do competitive study for them, analyze their competitors and pricing techniques.

In operations management consulting, overall operational audit, profit improvement service, food and beverage management consulting and quality management consulting were the most mentioned areas. 41.2% mentioned that they would consider using environmental consulting, 36.8% would use project development consulting and some interviewees agreed too, 32.4% would use strategic consulting and risk and crisis management consulting and 26.5% would use consulting on corporate social responsibility. Interestingly, 38.2% mentioned they would consider using financial consulting and 27.9% would like to have management contract service to manage the hotels for them.

Reasons for reluctance to use consulting services/consultants

Respondents mentioned their reluctance to use consulting services as expensive which is consistent with Monsted and Fredens (1995, cited in Christensen and Klyver, 2006). They have also given the reason for their reluctance that that their hotels are already doing very well. General Managers added that since the owners have already hired them, they have extensive experiences in this field so their need for consulting would be low. Similarly, Chen, Sun, Helmes & Jin (2008) found that owners were in favor of consultants whereas managers who did not own the business were much more resistant. The results of Frank (1985) also revealed that

when owner is the sole decision maker, 67% have called in management consultants but when other are involved the results are much lower (32%). The reason given is that mainly with the owners, the consultants were more friend-like but the managers distrusted them as they thought may be replaced by them or consultants just applied the latest management fad to the business.

Some of them believe that consultants lack specific insight into the specific situation and context of small firm which is consistent with Christensen and Klyver (2006) and Monsted and Fredens (1995, cited in Christensen and Klyver, 2006). Difficulty in identification of a competent consultant was also given as a reason by the respondents for their reluctance which is similar to Kubr (2002). Some other reasons were that their hotel information are confidential which is consistent with Kubr (2002) and Siegemund (2008), consulting process is too complex, there is already a provision of free consulting from government agencies such as OSMEP and the current options available are not upto the expected professional standards which is similar to Monsted and Fredens (1995 cited in Christensen and Klyver, 2006).

Criteria considered in choosing consulting companies/consultants

The top criteria considered by respondents were through “referral” which is consistent with the results of Kailer and Scheff (1999) followed by “cost” of the work which is similar with Kubr (1993), “reputation” of the consulting companies which is similar to those of Frank (1985) and Aharoni (1997) and “profile of hospitality’s company customers”. The least important criteria were the “brand” and “closeness (local) to the hotel”.

4.3 Recommendation for assisting SM independent hotels in overcoming their challenges through more appropriate consulting, training and practices.

SM independent hotels can overcome their challenges or acquire expertise somehow through the consulting they can get from The Office of Small and Medium Enterprise Promotion (OSMEP), SMEs Bank, Thai Hotel Association (THA) or from their friends in the field. The consulting given by OSMEP is widely available and useful for the hotels; they organize workshops for SM hotels to participate in e-marketing, cost control, human resource management etc., but the detailed consulting is given to those hotels in which OSMEP is the shareholder and these hotels get a detailed consult in specific areas from the consultant where OSMEP paid for

them. The OSMEP respondent stated that there is availability of consulting fund for SMEs but the number of SMEs guaranteed for this fund depends upon the budget approved from the government.

Also with the SMEs bank, their main focus is on their customers meaning that SM hotels which have taken loans from their SMEs unit. SMEs bank in collaboration with institutions has arranged workshops for SM hotels in human resource management, reducing costs and e-marketing. The workshop usually lasts for three days.

The Thai Hotel Association organizes workshops for its members regularly but the main task of the association is not to give consultation in operating the hotels, but to act as an intermediary in negotiating with government or any other related work for the mutual benefits of the hotel industry.

The sections below provide recommendations for assisting SM independent hotels in overcoming their challenges through more appropriate consulting, training and practices to government agencies, SM independent hotels and consultants.

Recommendations to government agencies:

1. From the interviews with OSMEP, it is known that there is an availability of consulting funds for SMEs but the number of SMEs guaranteed for this fund depends upon the budget approved from the government and is usually limited. Nevertheless, the results of this study revealed that SM independent hotels mentioned consulting is expensive as the top reason for their reluctance to use consulting. Given that SMEs are sensitive about cost related consultation, subsidized consulting from OSMEP (which include detailed consulting not just simply the workshops) would be very useful for these hotels.

2. As SMEs have limited experience and knowledge about consultants, it makes identification of a competent consultant difficult and more time consuming, government agencies should be active in providing information to SMEs regarding the selection of consultants. OSMEP can help by providing the names of the consultants or consulting companies who specially have worked for SMEs as well as offer tailor-made plans for SMEs and make it available for the SM independent hotels.

3. The Tourism Authority of Thailand (TAT) should provide easily available information on average room rates and occupancy rates etc. of the hotels at different star levels so as to assist SM independent hotels.

4. As respondents in the study mentioned the oversupply of the hotel rooms as one of their main concerns which actually causes rate damage, government officials have to take an active role to control unauthorized hotels operating.

Recommendations to SM independent hotels:

1. SM independent hotels should be active in co-operating with other SM hotels in sharing information on the average room's rates, occupancy rates and other related information. This will then definitely help SM independent hotels in establishing the best pricing strategy as well as track changing customers' needs.

2. SM independent hotels should also consider the creation of loyalty programs which might have a positive impact in retaining old customers, which is a concern for some respondents.

3. SM independent hotels need to develop comprehensive online strategy which includes multi-channel strategies to take advantage of different types of intermediaries so as to be able to determine terms and contributions with distribution partners which will help the hotels in increasing their RevPAR.

4. Hotels are also recommended to more actively promote and sell their hotels through their websites in order to reduce distribution costs and be able to control price as they become less dependent on intermediaries.

5. The interview results indicated that general managers are reluctant towards taking consulting; therefore owners should take more active role when it comes to consulting.

6. General managers/owners should be more willing to share the data or information of the hotels to the consultant while undertaking consulting in order to ease consulting process and increase the success rates of consulting.

7. The hotels should also understand their role as clients during the consulting process by co-operating with the consultant in terms of spending time and resources with the consultant as well as allowing their staffs to be involved in the process.

8. SM independent hotels should approach to consulting companies if they would like to get a detailed consulting in particular areas instead of attending workshops as these companies do have sufficient databases to assist the hotels.

Recommendations to Consultants:

1. Consultants should develop more personal relationships with the owners/managers as SMEs value relationship with a trust-worthy consultant and are generally reluctant to provide facts to the consultants.

2. In consulting with SMEs, consulting must become more user-friendly in order to make it easier for the hotels to understand. Consulting must also become more client-centered.

3. Consultants should not just draw up a report, but also help SM hotels in the implementation phase as these hotels might not be able to implement the plans successfully because of limited ability and resources. They should also develop client's ability to understand and learn how to resolve similar problems in the future.

4. Consultants are recommended to conduct market research in order to understand the needs of consulting of SMEs otherwise there is a risk of demand and supply drift.

5. Consultants should tailor-make their consulting plans for SM independent hotels reflecting the context, characteristics, resources and nature of problems which is specific to them as respondents have mentioned as a problem the fact that consultants lack specific insight into specific situation and context of small or SMEs firms.

6. As owners/managers have some preconceptions about consulting, consultants should be more willing to provide information and data that will indicate the value of their services such as for example expected cost savings, higher profits, high guest satisfaction rate or more repeat customers. Consultants are also recommended to refer specifically to other small companies that have used them.

7. In dealing with SMEs, consultant should have a considerable experience in management principles as applied to SMEs. The consultant should also keep in mind the total picture and interdependence of all functions, since change in one function usually has immediate effect on others. This is because in small and medium-sized hotels the functions and management are not separated to the extent that they are in large hotels.

4.4 Limitations, suggestions for future research and contribution of this study

4.4.1 Limitations of the Study

There are a number of limitations to this study. First of all, the information contained in the directory of accommodations for hotels in Phuket and Bangkok prepared by Tourism Authority of Thailand has wrong addresses and it did not separate guesthouses, hostels and hotels. Therefore the researcher used the online database from the Tourism Authority of Thailand which has specified the type of accommodation; still the databases contain some wrong addresses for the hotels and are not updated regularly for new hotels. Secondly, this study has focused only on SM independent hotels in Bangkok and Phuket. Third, the data collected from the questionnaires were quite low as owners/managers were targeted to fill out the questionnaires and some hesitated to reveal their weaknesses or data. Fourth, the consulting services listed in this research have been taken from various websites since the academic publications on hospitality consulting are practically not available. Fifth, this study has not separated SM independent hotels managed by owners and by general managers. Lastly, this study only focused on the consulting experiences and potential demand for consulting services by SM independent hotels but only briefly examined the supply side, i.e. the consulting industry.

4.4.2 Suggestions for future research

☒ Future research should include other tourist's destinations such as Chiang Mai, Samui and Pattaya.

☒ The study should be expanded to include the satisfaction, impact or success rates of current consulting practices in SM independent hotels.

☒ A comparison study between the SM independent hotels operated by owners and operated by managers should be conducted to gain some more insight into their challenges, consulting experiences and consulting needs.

☒ Since this study has not examined the supply side i.e. consulting industry future research could examine the willingness of consultants in consulting SMEs and the challenges they meet in providing such consulting services.

☒ A further study on client-consultant relationship in these hotels is also recommended.

4.4.3 Contributions of the study

☒ This is the first study that has researched the consulting experiences and potential demand for consulting in SM independent hotels in Thailand.

☒ This study has identified the critical challenges faced by SM independent hotels which will help government organizations to tailor make their plans to support them.

☒ The study has contributed to fill in the gaps of literature in the areas of challenges facing SM independent hotels in Thailand as well as their consulting experiences and consulting needs.

☒ This study helps the existing consulting companies to understand in more details the critical problems of SM independent hotels so that they can offer their consulting services more effectively.

☒ The results of this study also contribute to lessen the risk of widening gaps between supply and demand of consulting services.

☒ It also provides practical recommendations to assist SM independent hotels in overcoming their challenges through more appropriate consulting.

Bibliography

Bibliography

- Abell, W. and Limm, L. (1996). "Business use of the internet in New Zealand: an exploratory study." Available at: <http://www.scu.edu.au/sponsored/ausweb96>. [Online] Retrieved on December 19, 2009.
- Ahmed, K. (2009) "Performance evaluation of SMEs of Bangladesh." *International Journal of Business Management*, 4(1), page 23-35.
- Akkeren, J. and Cavaye, A. (1999). "Factors affecting the adoption of e-commerce technologies by small business in Australia-an empirical study." Available at: www.acs.org.au/act/events/io1999/akkern.html. [Online] Retrieved on December 19, 2009
- Alonso, A. and O'Neill, M. (2009). "Staffing issues among small hospitality businesses: A college town case." *International Journal of Hospitality Management*, 28, page 53-58.
- Armstrong, H., and Taylor, J. (1993). **Regional Economics and Policy**. London: Harvester Wheatsheaf.
- Arthur, M.B. and Hendry, C. (1991) "Human resource management and the emergent strategy of small and medium sized business unit." *International Journal of Human Resource Management*, 1(3), page 233-251
- Ateljjevic, J. and Page, S. (2009). **Tourism and Entrepreneurship**. London : Elsevier Ltd.
- Avcikurt, C. (2003). "Auditing managerial training needs of Turkish small and medium-sized hotel enterprises." *Managerial Auditing Journal*, 18(5), page 399-404.
- Badnjevic, J. and Padukova, L. (2006). "ICT awareness in small enterprises in the Indian tourism branch. Master Thesis in Informatics." Available at : https://gupea.ub.gu.se/dspace/bitstream/2043/321/1/SSYSM_IA4006_H06_Badnjevic%2cJasmina%3bPadukova%2cLena_ICT%20Awareness%20in%20Small%20Enterprises%20in%20the%20Indian%20Tourism%20Branch.pdf [Online] Retrieved on August 19, 2009.

- Beaver, G. and Hutchings, K. (2005). 'Training and developing an age diverse workforce in SMEs : The need for a strategic approach.' *Education and Training*, 47(8/9), page 592-604.
- Beaver, G., Lashley, C. and Stewart, J. (1998). **Management development**. London: Cassell.
- Biech, E. (2000). **The Business of consulting: the basics and beyond**. USA: John Wiley and Sons Inc.
- Blackburn, R. and Hankinson, A. (1989). "Training in the smaller business: investment or expense?" *Industrial and Commercial Training*, 21(2), page 20-29.
- Brand, M. and Bax, E. (2002) "Strategic HRM for SMEs: implications for firms and policy." *Education and Training*, 44(8/9), page 451-463.
- Braun, P. (2002). "Networking tourism SMEs: e-commerce and e-marketing issues in regional Australia." *Information and Technology Tourism*, 5, page 13-23.
- Briggs, S. Sutherland, J and Drummond, S. (2006). "Are hotels serving quality? An exploratory study of service quality in the Scottish hotel sector." *Tourism Management*, 28, page 106-119.
- Brodie, R.J., Coviello, N.E., Brookes, R.W. and Little, V. (1997). "Towards a paradigm shift in marketing?" *Journal of Marketing Management*, 13, page 383-406.
- Brown, D. and Kaewkitipong, K. (2009). "Relative size and complexity: e-business use in small and medium sized tourism enterprises in Thailand." *Journal of Enterprise Information Management*, 22(1/2), page 212-231.
- Bryman, A. (2006). "Integrating quantitative and qualitative research: how is it done?" *Qualitative Research*, 6, page 9-13.
- Buhalis, D. (1993). "Regional integrated computer information reservation management systems as a strategic tool for small and medium tourism enterprises." *Tourism Management*, 14(5), page 366 -378.
- Buhalis, D. (1996). "Enhancing the competitiveness of small and medium-sized tourism enterprises." *International Journal of Electronic Commerce*, 6(1), page 56-68.

- Buhalis, D. (2000). "Global alliances in tourism and hospitality management." *International Journal of Hospitality and Tourism Administration*, 1(1), page 35-48.
- Buhalis, D. (2003). **eTourism: information and technology for strategic tourism management**. London : Prentice Hall.
- Buhalis, D. and Kaldis, K.(2008). "eEnabled internet distribution for small and medium-sized hotels : the case of hospitality in Athens." *Tourism Recreation Research*, 33(1), page 18.
- Buhalis, D. and Main, H. (1998). "Information technology in peripheral small and medium hospitality enterprises: strategic analysis and critical factors." *International Journal of Contemporary Hospitality Management*, 10(5), page 198-202.
- Buhalis, D. and Peters, M. (2006) **Tourism management dynamics**. Oxford: Elsevier Ltd.
- Campbell-Hunt, C. (2000). What have we learned about generic competitive strategy: A meta analysis. *Strategic Management Journal*, 21(2), page 121-154.
- Campos, R.C. (2009). "The awareness and responsiveness of the hotel industry in Phuket to climate change." **A minor thesis submitted in partial fulfillment of the requirements for the degree of master of business administration in hospitality and tourism management (international program)**. Phuket :Hospitality and Tourism Management (International Program) Prince of Songkhla University
- Carson, D. (1999). **Marketing for small to medium enterprises**. Oxford : Butterworth-Heinemann.
- Carson, D. and Cromie, S. (1989). "Marketing planning in small enterprises: a model and some empirical evidence." *Journal of Consumer Marketing*, 6(3), page 5-16
- Cerovic, Z., Galicic, V. and Ivanovic, S. (2005). **Menadzment hotelskog do-macinstva**. Opatija: Fakultet za turisticke i hotelske menadzment.
- Chaffey, D., Mayer, R., Johnston, K. and Ellis-Chadwick, F. (2000) **Internet marketing**. Harlow, England: Prentice Hall.

- Chobkhay, S. (2004). "Information and communication technology (ICT) applications by small and medium-sized tourism enterprises (SMTEs) in Thailand." **A minor thesis submitted in partial fulfillment of the requirements for the degree of master of business administration in hospitality and tourism management (international program).** Phuket :Hospitality and Tourism Management (International Program) Prince of Songkhla University
- Christensen, P. and Klyver, K.(2006). "Management consultancy in small firms: how does interaction work?" *Journal of Small Business and Enterprise Development*, 13(3), page 299-313.
- Christensen, J., Pedersen, D.E. and Jacobsen, B.H. (1989). **The Management of Small Tourism and Hospitality Firms.** London: Cassel
- Cochran, A.B. (1981). "Small business mortality rates: a review of the literature." *Journal of Small Business Management*, 19(4), page 5-59.
- Collins and Buhalis (2003). "Enhancing SMTEs business performance through the internet and online learning platforms." **Centre for eTourism Research, School of Management, University of Surrey, UK** : University of Surrey.
- Collins, C. Buhalis, D. and Peters, M. (2003). Enhancing SMTEs' business performance through the Internet and e-learning platforms. *Education and Training*, 45(8/9), page 483-494.
- Cooper, C. and Buhalis, D. (1993). **The future of tourism.** London : McHall.
- Cosh, A.D. and Hughes, A. (1994). **Finance and the Small Firm.** London: Routledge.
- Cuadrado, J.R. (1986). **Oferta y demanda de servicios y desarrollo regional: El caso de la Comunidad Valenciana (Trade, Business and Regional Development: Valencian Community).** Valencia: Fundacion.
- Curren, J., Blackburn, R.A., Kitching, J. and North, J. (1996). **Establishing small firm's training practises, needs, difficulties and use of industry training organizations.** London : HMSO.

- Demirbag, M., Koh, S.C., Tatoglu, E. and Zaim, S. (2006). "TQM and market orientation's impact on SMEs' performance." *Industrial Management and Data Systems*, 16(8), page 126-1228.
- Department of National Heritage (1996). **Tourism: Competing with the Best-People**. London. : Department of National Heritage.
- Dewhurst, J. and Burns, P. (1993). **Small Business Management**, 3rd ed. UK. : Macmillan, Basingstoke,
- EC. (1993). **Microeconomic Analysis of Tourism Sector**. London :European Commission.
- Enz, C. (2009) "Key issues of concern in the lodging industry: what worries managers." *Cornell Hospitality Report*, 9(4), Page 89-92.
- Faustino, J. (2005). The spirit of entrepreneurship in Asia. Available at: http://www.idrc.org.sg/uploads/user-S/1123126411Faustino_The_Spirit_of_Entrepreneurship_in_Asia_Final.doc [Online] Retrieved on August 22, 2009.
- Francis, G., Hinton, M., Holloway, J. and Humphreys, I. (1999). "Best practice benchmarking: a route to competitiveness." *Journal of Air Transport Management*, 5, page 105-112.
- Frank, H. (1985). "Small-business owners and consultants: an empirical analysis of their relationship." *Journal of Small Business and Entrepreneurship*, 4, page 32-43.
- Fuller, P.B. (1994). "Assessing marketing in small and medium-sized enterprises." *European Journal of Marketing*, 28(12), page 34-49.
- Gadenne, D. (1994). "Critical success factors for small business: an inter-industry comparison." *International Small Business Journal*, 12(1), page 36-56.
- Garengo, P., Biazzo, S. and Bititci, U. (2005). "Performance measurement systems in SMEs: a review for a research agenda." *International Journal of Management Reviews*, 7(1), page 25-40.
- Gilmore, A., Carson, D. and Grant, K. (2001). "SME marketing in practice." *Marketing Intelligence and Planning*, 19(1), page 6-11.

- Gilmore, A. Gallagher, D and Henry, S. (2000). "E-marketing and SMEs: operational lessons for the future." *European Business Review*, 19(3), page 234-240
- Griener, L.E. (1983). *Consulting to Management*. Englewoods Cliffs, NJ: Prentice-Hall.
- Gunasekaran, A.,Marri, H.B.,” Mcgauahey, R. and Grieve, R.J. (2001). Implications of organization and human behavior on the implementation of CIM in SMEs: an empirical analysis." *International Journal of CIM*, 14(2), page 165-185.
- Hallberg, K. (2002). "A market-oriented strategy for small and medium-scale enterprises." **IFC Discussion paper, No. 40. Washington DC, World Bank.**
- Harrington, D. and Akehurst, G. (2000). An empirical study of service quality implementation. *The Services Industry Journal*, 20(2), page 133-156.
- Hashim, M.K. and Wafa, S.A. (2002). **Small and Medium sized Enterprises in Malaysia- Development Issues**. Englewood Cliffs, NJ: Prentice-Hall.
- Haven, C. and Jones, E. (2004). **An Assessment of the Labour Market and Skills Needs of the Tourism and Related Sectors in Wales**. UK : N/D
- Hill, J. (2001). "A multidimensional study of the key determinants of effective SME marketing activity: part2." *International Journal of Entrepreneurial Behavior and Research*, 7(6), page 211 -235.
- Hwang, L., & Lockwood, A. (2006). "Understanding the challenges of implementing the best practices in hospitality and tourism SMEs." *An International Journal of Benchmarking*, 13(3), page 333-354.
- Hollis, S. (2003). "The Environment for small business. Small Firms: Big Business, The Small Business Service, the Agency within Government Championing Small Businesses." Available at: <http://www.sbs.gov.uk> [Online] Retrieved on August,19, 2009.
- Holts, H. and Zahn, D. (2004). **How to succeed as an independent consultant**. New Jersey: John Wiley and Sons.
- Hopkins, M. (2003). **The Planetary bargain, Corporate social responsibility matters**. London: Earnscan Publications.

- HSMIA Asia Pacific - Cornell Nanyang Institute of Hospitality Management. *Report on emerging trends and insights from the 2nd annual thought leaders in Marketing roundtable* (2008, August 5) Travel Daily News. Retrieved on September 15, 2009, from Available at: http://www.traveldailynews.com/pages/show_page/26665-Report-on-emerging-trends-and-insights-from-the-2nd-annual-thought-leaders-in-Marketing-roundtable [Online] Retrieved on August 19, 2009.
- Hudson, M., Smart, A. and Bourne, M. (2001). Theory and practice in SME performance measurement systems. *International Journal of Operations and Production Management*, 21(8), page 1096 - 1115.
- Hussain, J.G. and Matlay, H. (2000). "Financing preference of ethnic minority SMEs." *Journal of Small Business and Enterprise Development*. 3, page 39-54.
- Imrie, R. and Fyall, A. (2000). "Customer retention and loyalty in the independent mid-market hotel sector: a United Kingdom perspective." *Journal of Hospitality and Leisure Marketing*, 3(3), page 39-54.
- Ingram, A., Jamieson, R., Lynch, P. and Bent, R. (2000). "Questioning the impact of the graduation of the managerial labour force upon the management of human resources in the Scottish hotel industry." *Journal of Consumer Studies and Home Economics*, 24(4), page 212 - 222.
- International Labour Organisation (2001). *Human Resource Development, employment and globalisation in the hotel, catering and tourism sector*. Report for discussion at the Tripartite Meeting on the Human Resources Development, Employment and Globalizations in the Hotel, Catering and tourism Sector, Geneva.
- James, E.M. (2001). **Independent Consulting: The Definitive Guide**. London : Canadian Cataloging.
- Jameson, S. (2000). "Recruitment and training in small firms." *Journal of European Industrial Training*, 24(1), page 43-49.

- Johannisson, B. and Lindmark, L.(1996). **Forettag, Foretagare, Foretagsamhet, Studentlitteratur, Lund.** Oxford :Oxford University Press
- Jones, E and Haven-Tang, C. (2005). *Tourism SMEs, Service Quality and Destination Competitiveness.* UK: CABI publishing.
- Jones, P. and Hwang, L.J.J. (2002). “Improving business performance in service SMEs: modeling Best Practise” **Paper presented at 25th ISBA National Small Firms Conference: Competing perspectives of Small Business and Entrepreneurship, 13-16 November,** page 11153-11154.
- Kailer, N. and Scheff, J. (1999). “Knowledge management as a service: co-operation between small and medium sized enterprises (SMEs) and training, consulting and research institutions.” *Journal of European Industrial Training*, 23(4), page 319-328.
- Kitching, J. (2000). “Abstracts and commentaries.” *International Small Business Journal*, 18(2), page 101 - 103.
- Kerr, A. and McDougall (1999). The small business of developing people. *International Small Business Journal*, 17(2), page 65-74.
- Klatt, L.A. (1993). **Small Business Management: essential in entrepreneurship.** UK. : Wadsworth.
- Kozak, M. and Rimmington, M. (1998). Benchmarking: destination attractiveness and small hospitality business performance. *International Journal of Contemporary Hospitality Management*, 10(5), page 184-188.
- Kubr, M. (1993). **How to select and use consultants: a Client’s Guide.** Geneva : International Labour Office.
- (2002). **Management Consulting: A guide to the profession.** Geneva: International Labour Office.
- Lachnit,L. and Muller, S. (1993) **Nutzung von Unternehmensberatung in mittelstandishchen Unternehmen.** USA. : Der Betrieb.

- Lancaster, G. and Waddelow, I. (1998). An empirical investigation into the process of strategic marketing planning in SMEs: its attendant problems and proposals towards a new practical paradigm." *Journal of Marketing Management*, 14, page 853-858.
- Lee-Ross, D. and Johns, N (1997). "Yield Management in hospitality SMEs." *International Journal of Contemporary Hospitality Management*, 9(2), page 66-69.
- Li, E.Y. (1997). "Marketing Information systems in small companies." *Information Resources Management Journal*, 10(1), page 2-35.
- Loxley, R.H. and Page, T. (2001). *Management Consultancy: A handbook for best practice*. Great Britain: Biddles Ltd.
- Luciani, S. (1999). "Implementing Yield Management in Small and Medium sized Hotels: An Investigation of Obstacles and Success Factors in Florence hotels." *Hospitality Management*, 8, page 129-142.
- Lukas, C.A. (1998). **Consulting with Non-profit: A practitioner's guide**. Saint Paul: Fieldstone Alliance.
- Main, H. (2002). "The Expansion of Technology in Small and Medium Hospitality Enterprises with a focus on Net Technology." *Information Technology and Tourism*, 4, page 16-24.
- Marshall, J.N., Alderman, N., Wong, C. and Thwaites, A. (1995). The impact of management training and development on small and medium-sized enterprises. *International Small Business Journal*, 13(4), page 3-9.
- Matlay, H. (2004). "Contemporary training initiatives in Britain: a small business perspective." *Journal of Small Business and Enterprise Development*, 11(4), page 504-513.
- McAdam, R. and Kelly, M. (2002). "A business excellence approach to generic benchmarking in SMEs." *Benchmarking: An International Journal*, 9(1), page 2-11.
- McCarton-Quinn, D. and Carson, D. (2003). "Issues which impact upon business markets in the small firm." *Small Business Economic*, 21, page 201-213.

- McLarty, R. (1998). "Case study: evidence of a strategic marketing paradigm in a growing SME." *Journal of Marketing Practise: Applied Marketing Science*, 4(4), page 15-11
- Migiro, S. and Ocholla, D. (2005). "Information and Communication Technologies in Small and Medium Scale Tourism Enterprises in Durban, South Africa." *Information Development*, 21, page 283.
- Milohnic, I. (2005). **Factors which influence the success of small hospitality enterprises.** New York : Faculty of Tourism and Hospitality.
- Milohnic, I. and Cerovic, Z. (2002) "Benchmarking and Quality of Small Hotels in Croatia: An Explorative Study." *Management* , 2(1), page 25-35.
- Monkhouse, E. (1995). "The role of competitive benchmarking in small to medium-sized enterprises." *Benchmarking for Quality Management and Technology*, 2(4), page 41-5
- Moriarty, J., Jones, R., Rowley, J. and Kupiec-Teahen, B. (2008). Marketing in small hotels: a qualitative study. *Marketing Intelligence and Planning*, 26(3), page 293-315.
- Monsted, M. and Fredens, K. (1995). Skjulte talenter, Skjulte problemer – Nye ideer og kreativ taenkning, Samfundslitteratur, Frederiksberg.
- Mountinho, L. (1999). **Marketing Tourism.** London : Routledge.
- Morrison, A. (2002). Small hospitality business: enduring or endangered? *Journal of Hospitality and Tourism Management*, 9(1), page 1-11.
- Murphy, H. and Kielgast, C. (2008) "Do small and medium-sized hotels exploit search engine , marketing?" *International Journal of Contemporary Hospitality*, 2(1), page 9-9
- Nelson, S., Brunetto, Y., Farr-Wharton, R and Ramsay, S. (2000)." Organisational effectiveness of Australian fast growing small and medium sized enterprises (SMEs)." *Management Decision*, 45(1), page 1143-1162.
- Nolan, C. (2002). "Human resource development in the Irish hotel industry: the case of the small firm." *Journal of European Industrial Training*, 26(2/3/4), page 88-99.

- Nunnally, J. (1978). **Psychometric theory**. New York: McGraw-Hill.
- O'Connor, P., (2011). "The changing face of hotel electronic distribution." *Travel and Analyst*, 5, page 61-68.
- O'Dwyer, M. and Ryan, E. (2011). "Management development issues for owners /managers of micro- enterprises." *Journal of European Industrial Training*, 24(6), page 345-353.
- O'Farrell, P.N. and Hitchens, D. (1988). **Small firm competitiveness and performance**. Dublin: Gill and Macmillan.
- Office of Small and Medium Enterprises Promotion. Definition and Importance of SMEs (2003). Available at: http://cms.sme.go.th/cms/c/portal/layout?p_1_id=415 [Online] Retrieved on August 19, 2009.
- Office of Small and Medium Enterprises Promotion. N/D. "The 2nd SMEs Promotional Plan (2011-2011)" Available at: <http://cms.sme.go.th/files/2552/SME-Master-Plan-2.pdf> [Online] Retrieved on August 19, 2009.
- , N/D. "White paper on Economic Role of Small And Medium Sized Enterprises in 2007." Available at: [http://cms.sme.go.th/files/whitepaper 255/White-Paper-1.pdf](http://cms.sme.go.th/files/whitepaper%20255/White-Paper-1.pdf) [Online] Retrieved on August 19, 2009.
- Office of Tourism Development. N/D. "Statistics of Tourist Arrival in Thailand 2008." Available at: <http://www.tourism.go.th/2009/th/statistic/tourism.php?cid=12>. [Online] Retrieved on August 19, 2009.
- ,N/D. "Tourism Revenue in Provinces 2009." Available at: <http://www.tourism.go.th/2009/th/statistic/tourism.php?cid=12> [Online] Retrieved on December, 2009.
- Ogden, S.M. (1998). "Comment: benchmarking and best practice in the small hotel sector." *International Journal of Contemporary Hospitality Management*, 10(5), page 189-190
- Peacock, M. (1993). "A question of size." *International Journal of Contemporary Hospitality Management*, 5(4), page 29-32.
- Peel, M.J. and Bridge, J. (1998). How planning and capital budgeting improve SME performance. *Long Range Planning*, 31(6), page 848-856.

- Perry, S.C. (2001). The relationship between written business plans and the failure of small businesses in US. *Journal of small business management*, 39(3), page 21-28.
- Peters, M. and Buhalis, B. (2004). "Family hotel businesses: strategic planning and the need for education and training." *Education and Training*, 46 (8/9), page 46-415.
- Pikkemaat, B. and Peters, M. (2005). "Towards the Measurement of Innovation-A Pilot Study in the Small and Medium Sized Hotel Industry." *Journal of Quality Assurance in Hospitality and Tourism*, 6(3/4), page 89-112.
- Poon, A. (1989). **Progress in Tourism Recreation and Hospitality Management**. London : Belhaven Press.
- Poon, S. and Swatman, P. (1995). **The internet for small business: an enabling infrastructure For competitiveness**. USA. : Heinemann.
- Quaysle, M. (2002). "E-commerce: the challenge for UK SMEs in the twenty-first century." *International Journal of Operations and Production Management*, 22(1), page 1148 - 1161.
- Rayport, J.F. and Jaworski, B.J. (2001). **E-Commerce**. Boston : McGraw-Hill.
- Rebollo, A. (1993). **Los servicios a empresas en Asturias**. Madrid: FEDEA.
- Roche, J. (2002). "CSR and SMEs: chalk and cheese?" *Ethical Corporation*, 9, page 18-19.
- Rue, L.W. and Ibrahim, N.A. (1998). "The relationship between planning sophistication and performance in small business." *Journal of Small business management*, 36(4), page 24-32.
- Saleem, S. and Weerakit, N. (2008). "Development Strategies for Hospitality SMEs in Kabul, Afghanistan." **Proceedings of the 7th Asia Pacific Forum for Graduate Students Research in Tourism, June 3rd – 4th 2008, Kuala Lumpur, Malaysia**.
- Sanchez, M. Verdu, F. and Soriano, D. (2008). "Different ways of measuring performance in the service industries: application in Spanish small and medium-sized hotels." *The Service Industries Journal*, 28(1), page 2-36.

- Sarbutts, N. (2003). "Can SMEs do CSR? A practitioner's views of the ways small and medium sized enterprises are able to manage reputation through corporate social responsibility." *Journal of Communication Management*, 4(4), page 34-34.
- Schaper, M. and Savery, L. (2004). "Entrepreneurship and philanthropy: the case of small Australian firms." *Journal of Development Entrepreneurship*, 9(3), page 239-25.
- Shaw, G. and Williams, A. (1994). **Critical Issues in Tourism: A Geographical Perspectives.** Oxford: Blackwell.
- Shiels, H., McIvor, R. and O'Reiley, D. (2003). "Understanding the implications of IT adoption: insights from SMEs." *Logistics Information Management*, 16(5), page 312-326.
- Sheldon, P. (1993). "Destination Information Systems." *Annals of Tourism Research*, 20(4), page 633-649.
- Siegemund, C. (2008). **Blue Ocean Strategy for Small and Mid-sized Companies in Germany: Development of a Consulting Approach.** New York :McGraw-Hill.
- Simpson, M., Padmore, J., Taylor, N. and Frecknall-Hughes, J. (2006). "Marketing in small and medium sized enterprises." *International Journal of Entrepreneurial Behaviour & Research*, 12(6), page 361-38.
- Singh, R. Garg, S. and Deshmukh, S.G (2008) "Strategy development by SMEs for competitiveness : a review." *An International Journal*, 15(5), page 525-54.
- Smith, A. and Whittaker, J. (1998). Management development in SMEs: what needs to be done? *Journal of Small Business and Enterprise Development*, 5(2), page 16-185.
- Soriano, D. (2005). "The New Role of the Corporate and Functional Strategies in the Tourism Sector: Spanish Small and Medium-Sized Hotels." *The Service Industries Journal*, 25(4), page 601-613.
- Soriano, D.R., Roig, S., Sanchis, J.R. and Torcal, R. (2002). "The role of consultants in SMEs: the use of services by Spanish industry." *International Small Business Journal*, 20, page 95.

- Steele, F. (1995). **Consulting for organizational change**. Amherst, MA : University of Massachusetts Press.
- Stevenson, H.H. and Sahlman, W.A. (1988). "How small companies should handle advisors." *Harvard Business Review*, March-April, page28-34.
- Storey, D.J. (1999). "Human Resource Management policies and practices in SMEs in the UK: does it really influence their performance?, working paper no.69," **Centre for Small and Medium-sized Enterprises, Warwick Business School, University of Warwick, Coventry.**
- Stredwick, J. (2002). **Managing People in a Small Business**. London: Kogan..
- Stonehouse, G. and Pemberton, J. (2002). "Strategic Planning in SMEs-some empirical findings." *Management Decision*, 40(9), page 853-861.
- Story, D.J. (1994). **Understanding the Small Business Sector**. London : Thomson Business.
- Sweeney, L. (2004). "Corporate social responsibility in Ireland: barriers and opportunities experienced by SMEs when undertaking CSR." *Corporate Governance*, 4(4), page 516-523.
- Tetteh, E. and Burn, J.(2001). "Global strategies for SME-business: applying the small framework logistics." *Information Management*, 14, page 248-260
- Thomas, R.,Lashley, C.,Rowson, B.,Xie, G.,Jameson, S.,Eaglen, A.,Lincoln, G.and Parsons, D. (2004) **National Survey of Small Tourism and Hospitality Firms: Skills Demand and Training Practises**. N/D.
- Verheugen, G. (2005). "The New SMEs Definition. Enterprise and Industry publications." Available at: http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/sme_user_guide.pdf [Online] Retrieved on August 19, 2009
- Vives, A. (2006). "Social and environmental responsibility in small and medium enterprises in Latin America." *Journal of corporate citizenship*, 21, page 39-50
- Vyakarnam, S., Bailey, A., Myers, A. and Burnett, D. (1999). "Towards an understanding of ethical behavior in small firms." *Journal of Business ethics*, 16(15), page 1625-1636.

- Walker, O.C., Boyd, H.W. and Larreche, J.C. (1992). **Marketing Strategy: Planning and Implementation.** Irwin : Toronto.
- Wanhill, S. (2000). "Small and Medium Tourism Enterprises." *Annals of Tourism Research*, 27(1), page 132-144.
- Webster, B. Walker, E. and Brown, A. (2005). "Australian small business participation in training activities." *Education and Training*, 47(8/9), page 552-561.
- Weiermair, K. (2000). "Tourists's perceptions towards and satisfaction with service quality in the cross-cultural service encounter: implications for hospitality and tourism management." *Managing Service Quality*, 10(6), page 394-409.
- William, A. (2005). "Consumer social responsibility?" *Consumer policy review*, 15(2), page 34-35.
- WTB. (2000). **Achieving Our Potential: a Tourism Strategy for Wales.** London :Wales Tourist Board, Cardiff.

Appendices

Appendix: A



Questionnaire

“An Investigation into the Consulting Needs of Small and Medium-Sized Independent Hotels in Thailand”

Dear General Manager / Owner,

I am a MBA student in Business Administration, Faculty of Hospitality and Tourism Management, (International Program), Prince of Songkla University, Phuket Campus, Thailand. The purpose of this survey is to collect data for my MBA thesis on **“An Investigation into the Consulting Needs of Small and Medium-Sized Independent Hotels in Thailand”**

Kindly assist in filling out this survey and send it back by post using the given envelop. However you can also do this survey at this link: <http://www.surveymonkey.com/s/2R5PPQH> and simply submit it or if you would like to receive an email with the survey attached, please do not hesitate to email me.

I would really appreciate your help for participating in this survey. The data collected will be used for academic purposes as well as to provide recommendations for the set up of a consulting division within Prince of Songkla University, Phuket campus. The data collected will be kept confidential.

Thank you for your participation.

เรียน ผู้จัดการ โรงแรม / เจ้าของ โรงแรม

ดิฉันเป็นนักศึกษาปริญญาโทในคณะอุตสาหกรรมบริการและการท่องเที่ยวหลักสูตรนานาชาติ วัตถุประสงค์ของการสำรวจครั้งนี้เพื่อเก็บรวบรวมข้อมูลสำหรับการทำวิทยานิพนธ์ เรื่อง **“ความต้องการด้านที่ปรึกษาสำหรับธุรกิจโรงแรมอิสระขนาดเล็กและกลางในประเทศไทย”** กรุณาช่วยกรอกแบบสอบถามฉบับนี้และส่งกลับโดยใช้ซองที่แนบไปให้หรือคุณสามารถเข้าไปตอบแบบสอบถามได้ที่ <http://www.surveymonkey.com/s/2R5PPQH> หรือ ถ้าคุณต้องการรับแบบสอบถามผ่านทางอีเมลล์คุณสามารถอีเมลล์มาได้ ดิฉันขอขอบคุณเป็นอย่างยิ่งสำหรับการสละเวลาอันมีค่าเพื่อตอบแบบสอบถามนี้ ข้อมูลที่เก็บรวบรวมจะถูกใช้เพื่อวัตถุประสงค์ทาง วิชาการ รวมทั้งเป็นคำแนะนำสำหรับการจัดตั้งฝ่ายที่ปรึกษา ภายในมหาวิทยาลัยสงขลานครินทร์ วิทยาเขตภูเก็ต ข้อมูลทั้งหมดจะถูกเก็บเป็นความลับ

ขอขอบคุณสำหรับความร่วมมือ

Contact Details:

Ms. Premchit Khurana
 Graduate School
 Prince of Songkla University
 143/8-9, Rat-u-thit 200 Pee Rd, Patong, Phuket 83150, Thailand
 Email: premchitkhurana@gmail.com
 Mobile: 081-9685042

Please write or tick (·) in the box which corresponds to your answers /

โปรดกรอก หรือ ใส่เครื่องหมาย (·) ในช่องที่คุณเลือก

Part 1: Hotel Information / ข้อมูลโรงแรม

1. Name of the hotel / ชื่อโรงแรม:
2. Area (Province) / สถานที่ (จังหวัด): Phuket / ภูเก็ต Bangkok / กรุงเทพฯ
3. No. of rooms in the hotel / จำนวนห้องในโรงแรม:
4. No. of staff in the hotel / จำนวนพนักงานในโรงแรม:
5. In which year did your hotel open? / โรงแรมของคุณก่อตั้งในปี พ.ศ. ไດ?
6. The hotel classification / ระดับของโรงแรม
 - 1 Star / ดาว 2 Star / ดาว 3 Star / ดาว 4 Star / ดาว 5 Star / ดาว
 - Others / อื่น ๆ (Please specify / โปรดระบุ).....
7. What is your current position at the hotel? / ตำแหน่งงานของคุณในโรงแรม?
 - Owner / เจ้าของกิจการ Family member of owner / ครอบครัวเจ้าของกิจการ
 - General Manager / ผู้จัดการ others / อื่น ๆ (Please specify / โปรดระบุ):

Part 2: Challenges facing the hotels / ความท้าทายในการบริหารโรงแรม

8. What are the key challenges facing your hotel? (in overall operational management)

อะไรคือปัญหา และ ความท้าทาย ในการบริหารจัดการโรงแรม ?

.....

.....

.....

.....

9. Please rate the following issues by ticking (·) in terms of how challenging they are for your hotel:

จากความท้าทาย และ ปัญหา ที่กำหนดให้ โปรดเลือกระดับความท้าทายที่โรงแรมของท่านได้ประสบ โดย ใส่เครื่องหมาย (·) ในช่องที่กำหนด

Challenges / ความท้าทาย	Level of challenges / ระดับความท้าทาย				
	V.Low น้อยที่สุด	Low น้อย	Medium ปานกลาง	High มาก	V.high มากที่สุด
Attracting skilled employees / การชักจูงพนักงานที่มีความสามารถ					
Training employees / การฝึกอบรมพนักงาน					
Finding executives / การค้นหาผู้บริหาร					
High staff turnover rate / อัตราการเปลี่ยนพนักงานสูง					
Front office Management & Operations / การจัดการด้านแผนกต้อนรับ					
F&B Management & Operations / การจัดการด้าน F&B					
Housekeeping Management & Operations / การจัดการด้านแผนกแม่บ้าน					
Inadequate bargaining power / อำนาจการต่อรองไม่เพียงพอ					
High operating cost / ต้นทุนการดำเนินงานที่สูง					

Challenges / ความท้าทาย	Level of challenges / ระดับความท้าทาย				
	V.Low น้อยที่สุด	Low น้อย	Medium ปานกลาง	High มาก	V.High มากที่สุด
Declining Revenue Per Available Room / รายได้ต่อจำนวนห้องที่มีลดลง					
Customer Relationship Management / การจัดการด้านความสัมพันธ์กับลูกค้า					
Benchmarking your operations / การเปรียบเทียบการดำเนินงานเพื่อพัฒนา					
Inconsistency in service delivery / ความไม่คงเส้นคงวาในการให้บริการ					
Understanding customer needs / เข้าใจความต้องการของลูกค้า					
Track changing customer needs/ ติดตามการเปลี่ยนแปลงความต้องการของลูกค้า					
Insufficient marketing support / การสนับสนุนด้านการตลาดไม่เพียงพอ					
Insufficient distribution channels / ช่องทางการขายไม่เพียงพอ					
Planning Sales Strategy / การวางแผนด้านการขาย					
Differentiating your products & services / การทำให้สินค้าและบริการมีความแตกต่างจากคู่แข่ง					
Maintaining competitive advantages / การรักษาความได้เปรียบเหนือคู่แข่ง					
Eroding market share / สูญเสียส่วนแบ่งการตลาด					
Information & Communication Technology adoption (website, e- marketing, Customer Relationship Management software etc.) / การ นำเทคโนโลยีมาปฏิบัติใช้					
Limited IT skilled employees / ขาดพนักงานที่มีความชำนาญด้าน IT					
Using Search Engine Optimization (SEO) / การจัดการให้เว็บไซต์ติดอันดับต้น ๆ ของการค้นหา					
Insufficient time/ability for strategic planning / เวลาและความสามารถในการ วางแผนเชิงกลยุทธ์ไม่เพียงพอ					
Planning strategically in competitive environment/ การวางแผนเชิงกลยุทธ์ ในภาวะการแข่งขันสูง					
Managing Cash Flows / การจัดการกระแสเงินสด					
Access to finance / การเข้าถึงแหล่งที่มาของเงินทุน					
Limited capital & resources(for development)/ เงินทุนและทรัพยากรจำกัด					
Managing Taxes / การจัดการด้านภาษี					
Dealing with legal matters / การจัดการด้านกฎหมาย					
Economic uncertainty / ความไม่แน่นอนทางเศรษฐกิจ					
Complying with environmental laws / ปฏิบัติตามกฎหมายสิ่งแวดล้อม					
Reducing the use of energy / ลดการใช้พลังงาน					
Being socially responsible to the community / ความรับผิดชอบต่อสังคม					
Crisis Management Planning / การวางแผนการจัดการวิกฤต					
Others (please specify) / อื่น ๆ (กรุณาระบุ)					

Part 3: Need for Consulting services / ความต้องการของที่ปรึกษา

10. Has your hotel ever used hospitality consulting services? / โรงแรมของคุณเคยใช้บริการด้านที่ปรึกษาหรือไม่?

Yes / เคย

No / ไม่เคย

If yes, what areas? / ถ้าเคย ด้านใดบ้าง?

11. What criteria would you consider in selecting consulting companies/consultants? (Please · as many as applicable) หลักเกณฑ์อะไรที่คุณใช้พิจารณาในการเลือกบริษัทที่ปรึกษาที่ปรึกษา? (เลือกได้มากกว่า 1 ข้อ)

Brand

Reputation / ชื่อเสียง

Closeness (local) to the hotel / ใกล้โรงแรม

Referral / การแนะนำ

Cost / ต้นทุน

Profile of consulting company's customers/

ลูกค้าที่บริษัทที่ปรึกษาเคยให้บริการ Others/ อื่น ๆ (กรุณาระบุ)

12. Please tick (·) in the consulting services that “Your Hotel has used in the Past or at Present” and “Your hotel would consider using in the Future” / จากบริการที่ปรึกษาที่กำหนดให้ โปรด ใส่เครื่องหมาย (·) ในบริการที่คุณเคยใช้ และ แนวโน้มในการใช้บริการในอนาคต

ในบริการที่คุณเคยใช้ และ แนวโน้มในการใช้บริการในอนาคต

Consulting Services Areas บริการของที่ปรึกษา	At present & Past Have used เคยใช้	In future Would consider Using / มีความคิดที่จะใช้ในอนาคต	
		Yes	No
Human Resources Management Consulting / ที่ปรึกษาด้านทรัพยากรมนุษย์			
Human Resource Planning & Analysis / ด้านการวางแผน และ ด้านวิเคราะห์ทรัพยากรมนุษย์	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recruitment Services / ด้านบริการสรรหาบุคลากร	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Human Resource Development & Training / ด้านการพัฒนา และ ฝึกอบรม ทรัพยากรมนุษย์	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compensation & Benefits Planning / ด้านการวางแผนด้าน สวัสดิการ และ ผลตอบแทน	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Operations Management Consulting / ที่ปรึกษาด้านการดำเนินงาน			
Overall Operational Audit / ตรวจสอบการดำเนินงานโดยรวม	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F&B operations / ที่ปรึกษาด้านการดำเนินงาน F&B	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Housekeeping operations / ที่ปรึกษาด้านการดำเนินงานแผนก แม่บ้าน	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Front Office operations / ที่ปรึกษาด้านการจัดการด้านแผนกต้อนรับ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spa Management / ที่ปรึกษาด้านการจัดการสปา	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Outsourcing Strategies / ที่ปรึกษาด้านการจ้างบริษัทภายนอก	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transition Planning / ที่ปรึกษาด้านการวางแผนการเปลี่ยนแปลง	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Profit Improvement Service / ที่ปรึกษาด้านการปรับปรุงผลกำไร	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales & Marketing Management Consulting / ที่ปรึกษาด้านขาย และ การตลาด			
Market Analysis & Market positioning / ด้านการวิเคราะห์และกำหนดลักษณะของการตลาด	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales and Marketing Assessment & Planning / ที่ปรึกษาด้านการประเมินและวางแผน ด้านการขายและการตลาด	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales and Marketing Training & Coaching / ฝึกอบรม ฝ่ายขาย และ การตลาด	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brand Management / ที่ปรึกษาด้าน brand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E- Marketing / การตลาด online	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Information Technology Consulting (systems, network etc) / ที่ปรึกษาด้าน IT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Management Consulting / ที่ปรึกษาด้านการจัดการด้านการเงิน	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Consulting in Accounting / ที่ปรึกษาด้านบัญชี	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strategic or General Management Consulting / ที่ปรึกษาด้านการวางแผน ยุทธศาสตร์	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Asset Management / บริการด้านการจัดการทรัพย์สิน	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Risk & Crisis Management Consulting / ที่ปรึกษาด้านการจัดการความเสี่ยง และ วิกฤติ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Project Development & Business Planning Consulting / ที่ปรึกษาด้านการพัฒนาและวางแผนโครงการ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality Management Consulting / ที่ปรึกษาด้านการจัดการคุณภาพ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environmental Consulting / ที่ปรึกษาด้านสิ่งแวดล้อม	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Consulting on Social role & Responsibility / ด้านบทบาทและความรับผิดชอบต่อสังคม	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal Consulting / ที่ปรึกษาด้านกฎหมาย	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Management Contract Service / ให้บริการด้านการบริหาร โรงแรม	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Management Contract & Franchise Affiliation Selection / บริการด้านการเลือกบริษัทบริหาร โรงแรม และ เฟรนไชส์	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Others (Please specify) / อื่น ๆ (โปรดระบุ)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

13. What are the main reasons for your reluctance to use hospitality consulting services/consultants?

(Please tick as many as applicable) / เหตุผลหลักที่โรงแรมคุณจะไม่จ้างที่ปรึกษามีอะไรบ้าง? (เลือกได้มากกว่า 1 ข้อ)

- The current options aren't up to the expected professional standard / บริษัทให้คำปรึกษาที่มีอยู่ไม่ได้มาตรฐานเพียงพอ
- It's expensive with no clear return on investment / ค่าใช้จ่ายสูง
- Our company information is confidential / ไม่สามารถเปิดเผยข้อมูลในโรงแรมได้
- Consultants lack insight into our specific situations / ที่ปรึกษาขาดความเข้าใจในสถานการณ์เฉพาะของโรงแรมขนาดเล็กและกลาง
- Identification of a competent consultant is difficult / การหาที่ปรึกษาที่มีความเชี่ยวชาญยาก
- Our use of consulting may be viewed by others as lack of competence/ การใช้บริการด้านที่ปรึกษาทำให้ดูไร้ความสามารถ
- The process is too complex / ซับซ้อนเกินไป
- My hotel is doing well & doesn't need any consulting / โรงแรมมีระบบจัดการที่ดีอยู่แล้ว และไม่ต้องการที่ปรึกษา
- Others / อื่น ๆ (Please specify / กรุณาระบุ).....

14. Which areas of consulting do you think would be most valuable for your hotel? / คุณคิดว่ากรให้คำปรึกษาด้านใดมีความสำคัญสำหรับโรงแรมของคุณ?

.....

.....

.....

.....

15. Any extra suggestions on your hotel's needs for consulting services / คำแนะนำเพิ่มเติมสำหรับความต้องการด้านที่ปรึกษา

.....

.....

.....

Thank you very much for your participation.

ขอขอบคุณอย่างยิ่งสำหรับความร่วมมือ

Appendix : B

Interview Questions for General Managers/Owners of Small and Medium-Sized Independent Hotels

Questions

1. What are the key challenges facing SM independent hotels? (in overall operational management)
2. Has your hotel ever used hospitality consulting services? If yes, in which area has your hotel taken consulting services before?
3. Based on the challenges you faced, are there any need (or plans) for consulting services? If yes what areas?
4. What are the criteria for choosing the consulting company?
5. What would be your reasons for your reluctance to use consulting services?
6. Any extra suggestions on your hotel's needs for consulting services.

Appendix : C

Interview questions for Hospitality Consultant

Questions

1. What do you think are the problems faced by hotels in Thailand
2. What are the problems of small and medium-sized independent hotels?
3. What do you think are the solutions to these problems?
4. What kind of consulting services do they normally use?
5. What are the services do you normally provide?
6. In which areas, do you think small and medium independent hotels need consulting?
7. Other recommendations

Appendix : D

Interview Questions for OSMEP

Questions

1. What kinds of support do you give to SM hotels?
2. In which areas, do you normally give consulting to SM hotels?
3. What do you think are the problems, challenges and weaknesses faced by SMEs hotels?
4. In which areas, do you think SM hotels need more government support?
5. In which areas, do you think SM hotels need any (private) consulting?

Appendix : E**Interview Questions for SMEs unit in Bank****Questions**

1. What are the criteria for choosing SMEs?
2. What kinds of support do you give to SM hotels?
3. In which areas, do you normally give consulting to SM hotels?
4. What do you think are the problems and challenges faced by SM hotels?
5. In which areas, do you think SM hotels need government support?
6. In which areas, do you think SM hotels need any (private) consulting?

Appendix : F**Interview Questions for Thai Hotel Association (THA)****Questions**

1. What kind of hotels can become member of THA?
2. Does THA organize any workshops or support to the hotels that are not member of THA or not? If yes, in which areas?
3. What kinds of support and consulting do you give to SM hotels?
4. What do you think are the problems and challenges faced by SM hotels?
5. In which areas, do you think SM hotels need more government support?
6. In which areas, do you think SM hotels need any (private) consulting?

Appendix : G

Interview Transcript with One of the General Managers in Phuket

1. Key challenges facing SM independent hotels

Human resource management is the most important challenge for this hotel. Attracting skilled employees, high staff turnover rate, staff low morale and training are the main concerns. Most of the skilled employees would rather want to work for chain hotels more than independent hotels. *“As the skilled employees believe that the benefits offered at chain hotels are more lucrative and brand also matters them”*. It is also quite challenging to keep the staffs motivated while working with the hotel and when these staffs have low morale, they don't work effectively and causes turnover problems. Lastly in this area, it is also not easy at all to launch consistent and successful training programs.

Following human resource management is the sales and marketing management in terms of having good pricing strategy. Nowadays competition is very intense; therefore setting the room price to maximize profit and still remain competitive is very challenging. Online marketing is another area of concern. It is really very difficult to adopt comprehensive online strategy. Also to do sales and marketing effectively to reach the target goals is very difficult. Negotiating the room price with travel agency is as well an area of concern because of low negotiating power. *“How should I increase the contract rate with the agency and the agency thinks that it is reasonable”*

Instability of the political situation in Thailand is another problem. It is really destroying the tourism market. Lastly, food and beverage management in terms of increasing sales in restaurants is quite challenging too.

2. Areas in which SMEs hotels has used hospitality consulting services

During the operations, that is when the hotel is already open; our hotel has been taking consulting in accounting, in the accounting process related to paying taxes and auditing. We have also taken consulting in marketing management, e-marketing, human resource management, risk management, cost control and reducing the use of energy from the Office of Small and Medium Enterprise Promotion (OSMEP). OSMEP normally hired consulting company for SM hotels to give consulting in e-marketing and other areas and give more detailed consulting if OSMEP is one the shareholders of the hotels. OSMEP is actually one of the shareholders in our hotel. In

human resource management; OSMEP advices on staffing planning, training and employee's development. In risk management, OSMEP normally helps the hotels in analyzing and minimizing their risks. OSMEP also helps the hotels to analyze their loan structure and assist them to change or get more loans if they want. In marketing management, OSMEP helps the hotels in analyzing which marketing techniques should be change and develop. In e-marketing, OSMEP has hired consulting company in order to help us in doing e-marketing effectively which starts with clear positioning of the hotels, setting up websites and ways to promote and increase online reservations. This kind of consulting is not short term and sometimes lasts up to 2 years. OSMEP actually supports all the expenditures and we just have to provide complimentary nights to them when they do some inspection or consulting.

3. Areas of consulting needs most valuable to SM independent hotels

We need training services in the field of service mind, increasing motivation, English skills, teamwork and communication. We also need e-marketing consulting as well as negotiation skills training and presentation skills training in order to approach and negotiate the best deals with the agency. There is also a need for food and beverage consulting in order to increase the sales of the restaurants. I would also like consulting company to survey our guest satisfaction to increase overall quality and would like to know some new trends about marketing in the market from the consultant. Lastly, we will most of the time need consulting in accounting, legal consulting and IT consulting in terms of maintenance.

4. Criteria for choosing the consulting company

The criteria we would consider are the reputation of the consulting company and profile of company's customers. We might also ask from our friends (referral) which company is good. The cost of taking consulting service is also another criterion we would consider.

5. Reasons for reluctance to use the consulting services

The reason for our reluctance to use consulting services is that sometimes consulting is expensive with no clear return on investment. Another reason is that that normally we get a free consulting from the government agencies such as OSMEP already which is really very useful and also free.

VITAE

Name Miss Premchit Khurana

Educational Attainment

Degree	Name of Institution	Year of Graduation
Bachelor of Business Administration	Prince of Songkla University	2006

Work-Position and Address

Sales Executive

Marriott Vacation Club Asia Pacific

230 Moo 3, Maikhao, Talang, Phuket 83110

Tel: 081-9685042

Fax: (076) 342087

E-mail: premchitkhurana@gmail.com

List of Publication and Proceeding

Khurana, P. and Assenov, I. (2010). *An investigation into the Critical Consulting Needs of Small and Medium-Sized Independent hotels in Thailand*. Paper presented at the 16th Asia Pacific Tourism Association Annual Conference, Macau SAR, China, July 13-16, 2010.