



**Marketing Strategy of Serviced Apartment in Phuket,  
Roles of E-Marketing and Other Influential Factors**

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**A Thesis Submitted in Partial Fulfillment of the Requirements for the Degree of  
Master of Business Administration in Hospitality and Tourism Management  
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**ชื่อวิทยานิพนธ์** กลยุทธ์ทางการตลาดของเซอร์วิสอพาร์ทเมนต์ในจังหวัดภูเก็ต บทบาทของ  
การตลาดอิเล็กทรอนิกส์ และปัจจัยด้านอื่นๆที่มีอิทธิพล

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### **บทคัดย่อ**

จังหวัดภูเก็ตกำลังเติบโตอย่างต่อเนื่อง จากหลายปัจจัย เช่น ทำเลที่ตั้งดีที่พักอาศัยมีคุณภาพ ความคุ้มค่าในการใช้จ่าย และเป็นจังหวัดที่ได้รับการสนับสนุนโดยรัฐบาล ส่งผลให้มีความต้องการด้านที่พักอาศัยเพิ่มขึ้น และเกิดการขยายตัวของธุรกิจอสังหาริมทรัพย์ เนื่องด้วยราคาที่ดินจังหวัดภูเก็ตที่มีมูลค่าสูงมาก ส่งผลให้บุคคลที่วางแผนเข้ามาอาศัยอยู่ในจังหวัดภูเก็ตอย่างถาวรนั้น ประสบกับความยากที่จะครอบครองอสังหาริมทรัพย์ ส่วนอุตสาหกรรมบริการและการท่องเที่ยว นักท่องเที่ยวมีแนวโน้มที่จะเลือกพักในที่พักอาศัยในแบบอื่นๆ เช่น เซอร์วิสอพาร์ทเมนต์ และ คอนโดมิเนียมสำหรับเช่าพักอาศัย แทนการเข้าพักในโรงแรม สถานการณ์นี้ได้สร้างการแข่งขันที่ดุเดือดในธุรกิจที่พักอาศัยหลายประเภทดังนั้นการตลาดจึงเป็นกุญแจสำคัญในการส่งเสริมผู้ประกอบการธุรกิจที่พักอาศัยในด้านต่างๆ ปัจจุบันการตลาดอิเล็กทรอนิกส์ได้เข้ามามีบทบาทสำคัญในอุตสาหกรรมบริการและการท่องเที่ยว ผู้วิจัยได้ให้ความสนใจธุรกิจเซอร์วิสอพาร์ทเมนต์ โดยเฉพาะกลยุทธ์ทางการตลาด เนื่องจากการตลาดเป็นปัจจัยที่สำคัญต่อความอยู่รอดของเซอร์วิสอพาร์ทเมนต์ท่ามกลางคู่แข่ง เช่น คอนโดมิเนียม วิลล่า บ้านเช่า และโรงแรม

วิทยานิพนธ์ ชิ้นนี้ได้จัดทำขึ้นเพื่อมุ่งค้นหาคำตอบตามวัตถุประสงค์ดังต่อไปนี้ (1) เพื่อสำรวจมุมมอง และพฤติกรรมของลูกค้าที่มีต่อการตลาดอิเล็กทรอนิกส์ (2) เพื่อกำหนดความสำคัญของการตลาดอิเล็กทรอนิกส์ต่อขบวนการค้นหาเซอร์วิสอพาร์ทเมนต์ของผู้บริโภคกลุ่มต่างๆ (3) เพื่อระบุความสำคัญของส่วนประสมทางการตลาด 7P ที่มีผลกระทบท่อการค้นหาข้อมูลเกี่ยวกับเซอร์วิส อพาร์ทเมนต์(4) เพื่อระบุความสำคัญของการตลาดอิเล็กทรอนิกส์ต่อเจ้าของธุรกิจเซอร์วิส อพาร์ทเมนต์ และวิธีการใช้การตลาดอิเล็กทรอนิกส์ในการสื่อสารทางการตลาด

ผู้วิจัยเก็บรวบรวมข้อมูลโดยใช้วิธีผสมผสานระหว่างแบบสอบถาม และการสัมภาษณ์ การสำรวจแบบออฟไลน์จะได้รับข้อมูลจากบุคคลที่กำลังพักอาศัยในเซอร์วิสอพาร์ทเมนต์ในจังหวัดภูเก็ตอย่างน้อย 1 คืน ส่วนการสำรวจแบบออนไลน์จะถูกโพสต์บนแฟนเพจของTAT Phuket กระทั่งของTrip Advisor และกระทั้ของ Pantip Blue Planet โดยได้รับข้อมูลจากบุคคลที่เคยเข้าพักอาศัยใน

เซอร์วิสอพาร์ทเมนต์ในจังหวัดภูเก็ต คำถามในแบบสำรวจดังกล่าวจะเกี่ยวข้องกับปัจจัยส่วนบุคคล ปัจจัยทางสังคม ปัจจัยทางวัฒนธรรม ปัจจัยทางจิตวิทยา ส่วนประสมทางการตลาด 7P และ พฤติกรรมออนไลน์ของผู้บริโภค ส่วนการสัมภาษณ์จะได้รับข้อมูลจากผู้ประกอบการเซอร์วิส อพาร์ทเมนต์ในจังหวัดภูเก็ตจำนวน 10 ท่าน ซึ่งมุ่งเน้นเรื่องความสำคัญของการตลาดอิเล็กทรอนิกส์ และประโยชน์ของการตลาดอิเล็กทรอนิกส์ที่มีต่อเซอร์วิสอพาร์ทเมนต์

ผลจากการสำรวจได้ชี้ให้เห็นถึงความจำเป็นในการประยุกต์ใช้การตลาดอิเล็กทรอนิกส์ใน เซอร์วิสอพาร์ทเมนต์ โดยพบว่ามีความสัมพันธ์ในเชิงบวกระหว่างระดับอายุ การศึกษา อาชีพ ลิขิต คำ การส่งเสริมทางการตลาด บุคลากร และทัศนคติ กับความถี่ของการค้นหาห้องพักเซอร์วิส อพาร์ทเมนต์ของจังหวัดภูเก็ตผ่านทางอินเทอร์เน็ตนอกเหนือจากนั้นข้อมูลจากการให้สัมภาษณ์ยัง แสดงให้เห็นว่าการตลาดอิเล็กทรอนิกส์มีความสำคัญต่อเซอร์วิสอพาร์ทเมนต์ โดยส่วนใหญ่เจ้าของ ธุรกิจเซอร์วิสอพาร์ทเมนต์ได้ใช้บริการของตัวเองให้ผู้ให้บริการด้านการท่องเที่ยวออนไลน์และ เว็บไซต์ เพื่อกิจกรรมประชาสัมพันธ์ และเพิ่มการเคลื่อนไหวให้แก่เซอร์วิสอพาร์ทเมนต์ของพวกเขา

วิทยานิพนธ์ ชี้นี้เป็นประโยชน์ต่อธุรกิจเซอร์วิสอพาร์ทเมนต์ และได้ให้ความรู้เกี่ยวกับ สถานการณ์ของเซอร์วิสอพาร์ทเมนต์ของประเทศไทยในปัจจุบันอีกทั้งมุ่งเน้นความสำคัญของการตลาดอิเล็กทรอนิกส์ที่มีต่อธุรกิจต่างๆ และชี้ให้เห็นถึงความคุ้มค่าของการประยุกต์ใช้การตลาด อิเล็กทรอนิกส์ดังกล่าวในธุรกิจ ยิ่งไปกว่านั้นงานวิจัยชี้นี้ได้สนับสนุนการเพิ่มความสามารถ ทางการแข่งขันของเซอร์วิสอพาร์ทเมนต์ รวมถึงสร้างความตระหนักถึงการแข่งขันที่รุนแรงใน ธุรกิจที่พักอาศัยนี้ต่อกลุ่มธุรกิจโรงแรม

**คำสำคัญ:** กลยุทธ์ทางการตลาด การตลาดอิเล็กทรอนิกส์ ส่วนประสมทางการตลาด 7P ปัจจัยส่วนบุคคล ปัจจัยทางสังคม ปัจจัยทางวัฒนธรรม เซอร์วิสอพาร์ทเมนต์ จังหวัดภูเก็ต

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### **ABSTRACT**

Phuket is continuously growing because of many reasons such as good location, good quality of accommodation, value for money, and government support. The important effect is the increase of accommodation demands and expansion of real estate business. In addition, land price in Phuket is extremely expensive, thus the individuals who plan to permanently live in Phuket could experience difficulties in affording to own property. In terms of hospitality and tourism industry, visitors tend to choose other kinds of accommodation such as serviced apartment and rental condominium instead of staying in a hotel. This situation creates intense competition among various accommodation businesses. Thus, marketing is the important key that assists accommodation providers in various ways. Recently, E-marketing also plays a significant role in hospitality and tourism industry. The researcher concentrates on serviced apartment business and, in particular, their marketing strategy since this factor is significant to the survival of serviced apartment among the rivals such as condominium, villa, rental house, and hotel.

This study connects the gaps in literature in particular to find the answers to the following objectives: (1) To investigate the perceptions and behaviors of customers towards E-marketing. (2) To determine the importance of E-marketing on serviced apartment searching process of different consumer demographic groups. (3) To identify the significance of 7Ps marketing effects on the customer searching of information about serviced apartment. (4) To identify the importance of E-marketing to serviced apartment's owners and how they use the E-marketing for their marketing communications.

The researcher used mixed methods by adapting questionnaire and face-to-face interview. The offline survey was responded by individuals who are staying in serviced apartment in Phuket at least 1 night. The online survey was posted on Facebook 'TAT Phuket fanpage',

TripAdvisor and Pantip 'Blue Planet' forum which responded by individuals who used to stay in serviced apartment in Phuket. The survey questions were related to personal factors, social factors, cultural factors, psychological factors, 7P's Marketing Mix, and consumers' online behavior. The interviews were conducted with 10 respondents who are serviced apartment owners in Phuket and focused on how e-marketing is important and beneficial to their serviced apartments.

The result indicates that it is necessary for serviced apartments to apply E-marketing. There is positive significant relationship between Age ranges, Education levels, Occupations, Product, Promotion, People, and Attitude and Frequency of searching a room in Phuket serviced apartment's room via the Internet. In addition, the finding from interviews shows that E-marketing is important for serviced apartments. Most of them use online travel agents (OTAs) and website to conduct PR activities and increase more traffic to their serviced apartments.

The study is beneficial to serviced apartment business and acknowledges its current situation in Thailand. It also highlights how E-marketing is important to businesses and pinpoints the worth of E-marketing adaption in businesses. In addition, it supportively increases serviced apartment competitiveness and makes hotels realize the aggressive competition in accommodation business.

**Keywords:** Marketing strategy, E-marketing, 7P's marketing mix, personal factors, social factors, cultural factors, serviced apartment, Phuket.

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Pawarus Nitkitsomboon

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# CHAPTER 1

## INTRODUCTION

### 1.1 Statement of the Problem

Serviced apartment business in Phuket is growing and they face to aggressive accommodation competition (Charoernpol, 2011). It is significant to understand reasons of the fierce accommodation competition, characteristics and situation of serviced apartment, essential of E-marketing in hospitality and tourism industry, consumer behavior on the Internet , marketing Mix (7P's), factors affecting consumer buying and purchasing decision process in order to find the survival ways of serviced apartments in Phuket and apply effectiveness marketing strategy.

#### 1.1.1 The factors of Phuket's growth

Treanor and Lewis (2008) found that four reasons explain the growth of Phuket which are its location, quality, value, and government support (Boonyapijit, 2011). First of all, Phuket is a very convenient and accessible destination for foreign visitors. Its international airport is also in the process of a new terminal expansion plus redevelopment of its existing domestic terminal and other airfield enhancements. This development will allow for an increased number of tourists to Phuket because of the increase in weekly international flights and multiple daily connection flights to Phuket. Second, in terms of quality, Phuket has various international resort brands and hotels that drive increased competition to attract most visitors as possible. The high competition between accommodation providers leads to each provider delivering the best possible products and services. Third, regarding value, Thailand was publicized on 11<sup>th</sup> November, 2008 at the World Travel Market (Tourism Authority of Thailand, 2010) as "Best Country Brand for Value for Money". This illustrates that Phuket offers the most reasonable cost of living if compared to other cities such as Moscow, Tokyo, or London (Boonyapijit, 2011). Lastly, government support, the Thai government fully supports the progression of Thailand's tourism industry by providing promotion strategies for attracting more foreign visitors. The reason behind the support is tourism is recognized as Thailand's most important service industry. It influences job creation, income distribution and foreign exchange earnings that are well above par (Svetasreni, 2012). Tourism Authority of Thailand (TAT) is the official organization responsible for promotion of tourism within Thailand. They conduct promotion in domestic and international markets, for instance, the

domestic market is “Thiew Muang Thai Mai Pai Mai Ru” which has been conducted continuously from 1996. For the oversea market is “Come to Exotic Thailand; Experience the Splendors of a Kingdom”, “Amazing Thailand” and “Visit Thailand Year 2009” were also launched to promote Thailand tourism. TAT also creates the action plan for 2013 to target 22.22 million international tourist arrivals and to prepare for the ASEAN Economic Community and opportunity of free movement of products and people by 2015.

These four factors aid Phuket rapid growth and effectively motivate individuals from other provinces and countries to not only travel and live, but also work and invest in Phuket. The significant effect is that various kinds of property keep increasing which cause aggressive accommodation competition.

### 1.1.2 The reasons of aggressive accommodation competition

Serviced apartment becomes a choice of tourists who plan to stay in Phuket for long-term. Presently, Phuket low end and middle level property market tends to aggressively surge because the number of Chinese and Russian visitors are increasing (C9 Hotelworks Market Reserch, 2013). These groups of tourist prefer to stay in reasonable room price property.

Figure 1.1 Top Five Tourist Source Markets



Source: Adapted from C9 Hotelworks Market Research (2013)

On the contrary, the high-end property market grows slightly slower than the past because of the negative European economic conditions. Furthermore, Phuket land price is extremely expensive (The Treasury Department, 2012). For example, Rassada Road area has the

most expensive land price in Phuket, which is approximately 140,000 baht per Rai (see more information in Appendix A). Thus, the excessive demand in the present is low and middle end houses, condominiums and other kinds of residential properties, which rate approximately 8-9 hundred thousand baht (Tanphaibul, 2012). For the short stay accommodation, in 2011, hotel supply started being slightly higher than demand for the reason that other kinds of accommodations are dramatically increasing, for example, serviced apartments are more widespread than ever and also have a number of competitors such as housing, condominiums and apartments. Moreover, many foreigners choose to stay in other kinds of accommodation, especially serviced apartments for their long stay (Charoernpon J, 2011).

## **1.2 Aim and Objectives of the Study**

**Aim:** Identify the significant factor, which influences customer's rental serviced apartment selection.

### **Objectives:**

The primary objectives of this research are;

1. To investigate the perception and behavior of customers towards E-marketing
2. To determine the importance of E-marketing on serviced apartment searching process of different consumer demographic groups
3. To identify the significance of 7Ps marketing and psychological factors effect to searching information of serviced apartment
4. To identify the importance of E-marketing to owner of serviced apartment and how they use the E-marketing for their marketing communications

## **1.3 Significance of the Study**

1. The study would benefit for real estate developer, especially in serviced apartment area. They would be acknowledged the serviced apartment situation in Thailand and the most effective marketing strategies.

2. This study highlights how E-marketing is important to businesses and pinpoint the E-marketing is worthy for serviced apartment or not.

3. The study helps to increase the competitiveness of serviced apartment by adding value with online marketing.

4. The study let the hotels realize the aggressive competition between hotels and serviced apartments.

#### **1.4 Definition of Key Terms**

The serviced apartment is a classification of furnished apartment and rental facility which is like a hotel offered both of short and long-term accommodation for corporate and leisure travelers. It provided tangible and intangible amenities for daily, serviced cleaning and linen changing for guests.

E-marketing refers to the marketing activities which are adapted various modern and convenient electronic tools such as computer, mobile and PDA connecting with the Internet and blending with marketing strategies.

Marketing strategy is a process of organization focusing on their limited resources to gain the greatest opportunities to increase sale volume, satisfy more customers and succeed sustainable competitive advantage.

7P's refers to the combining of 4P's with people, physical assets and process and practice separately from tangible good marketing (Lovelock, 1996).

Purchasing Decision Process is the process of making decision before and after purchasing including with problem recognition, information search, evaluation of alternatives, purchase decision and post-purchase behavior.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 The characteristics and situation of serviced apartment**

CBRE Hotels (2010) reported the characteristics of serviced apartment as the checklist below;

##### Definition checklist

- Manage by professional team which is on-site management
- Offer the serviced apartment product to the common public
- Separate the permanent residential and serviced apartment product
- Provide minimum studio apartment room which containing bedroom and living room
- Provide self-catering area and facilities and bathroom
- Arrange for laundry facilities
- Daily room service as the optional
- Offer both of short and long stay

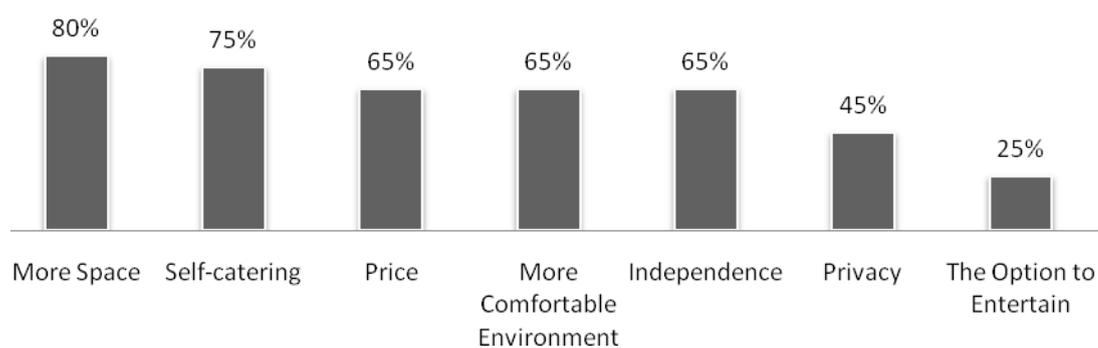
The serviced apartment is a classification of furnished apartment and rental facility which likes a hotel offered both of short and long-term accommodation for corporate and leisure travelers. It consists of at least a studio apartment including with sleeping, living and food preparation areas. Serviced apartment should provide laundry facilities and daily room service must be available (CBRE Hotels, 2010). The serviced apartment will be less expensive than equivalent hotel rooms and many of them provide serviced cleaning and linen changing for guests by owner or manager's agent of the apartments and offer a laundry service or facilities to the guests.

Two types of serviced apartment which are extended stay hotel or apart-hotel where provide mainly studio, one bedroom with a few bedroom apartments and the reception desk. The serviced apartment ranged from budget to deluxe room and fully furnished. Most rooms include with en-suite bathrooms, kitchenette, dining area, working area, internet access and direct telephone line. It is unnecessary to have restaurants, bar or lounge areas because they provide the kitchen facility for the guests (Mark, 2011-12). Another style of serviced apartment is corporate

housing which is up-graded residential apartment with the room service, utility charge, telephone, television and car-parking fee for staying up to 30 days or more (Mark, 2011-12).

The strategic motivation is its cost effectiveness, expansive accommodation, and services similar to those offered by a hotel (The Apartment Service Worldwide, 2011). These are as shown in the Figures 2.1.

Figures 2.1 Reasons for choosing serviced apartments over hotels



Source: The Apartment Service Worldwide (2011)

It is not only the number of serviced apartment increasing, but also other kinds of accommodation are growing such as condominium. In Phuket, the condominium has an interesting supply number which is 5,079 units increasing from the year 2011, by 17%. The new supply has been expanded in both types of the condominium, which are 70,000 baht/m<sup>2</sup> and 50,000 baht/m<sup>2</sup>. These supplies for sale are 1,966 units and have got 70% of demand because the inexpensive price of the condominium in scenic town could attract investors or local people who intend to become new investors (Plus Property Research, 2012). Another reason is many banks tend to offer low interest rate for accommodation purchasing which effects to low monthly payment as equal as accommodation rental (TMB Analytics, 2013). In addition, the main drive of condominium investors is deriving profit from the property by rental which is appropriate to long-term rental contracts. Thus, condominiums could become the substantial competitor for long-term rental of serviced apartments. On the other hand, serviced apartments are the potential competitor of hotels, especially from 1 to 3 star hotels which have the identical target customers. Their

marketing process is also the same as its hotel such as website, social media and online travel agent.

Serviced apartments become the aggressive rival for hotel market. The reason behind is many tourists have various choices of accommodation to choose, especially serviced apartments. Market of serviced apartment is growing because it requires lower investment than hotel, approximately 40-50% in terms of facilities and staff. Another competitiveness of serviced apartment is location. The serviced apartment could be easily situate in town to attract the middle-level customers, especially Asian. Recently, the number of Asian visitors is increasing faster than that of Western visitors, therefore serviced apartment market could directly benefit from this situation (Charoernpol, 2011). On the other hand, the condominiums become the important alternative accommodation and reflect the urbanization. Population's lifestyle is transformed, especially Generation Y who prefers to live conveniently; in their perception, the condominium is an appropriate choice because it offers them many required facilities such as fitness, swimming pool and parking area (TMB Analytics, 2013).

As the competition among accommodation providers is becoming more intense, serviced apartment owners must prepare for market expansion because their target customers are both businessperson and tourist. In addition, the creation of Asian Economic Community, which is expected to come into effect in 2015, will allow free trade of goods and services between countries in South East Asia, resulting in South-East Asian countries becoming a single market and production base. This is obviously an excellent opportunity for serviced apartment owners to enlarge their customer base.

## **2.2 The important of E-marketing in hospitality and tourism industry**

E-marketing is abbreviation of Electronic Marketing which is "inter-organizational information about price and product offerings" (Whitely, 2000). It refers to the marketing activities, which are adapted, various modern and convenient electronic tools such as computer, smart phone and PDA connecting with the Internet and blending with marketing strategies. It is very vital in an aggressive accommodation market where competition is fierce, in order to reach the target market, compete with the competitors, build an image, and increase the traffic. Recently, E-marketing has a significant role in hospitality and tourism industry. The internet is

the important technological phenomenon which has revolutionized the individuals' behavior; the way they plan, act and make decisions when they decide on travelling (Buhalis and Law, 2008). On the Internet, individuals are able to search a lot of information on hospitality and tourism products and services (Assenov and Cosh, 2008). Consumers also obtain the information from *Social Media* and share their trip experience on there (Pudliner, 2007).

Internet has generated revolution on hospitality and tourism industry that is not only inspiring individuals' dream destination, but also providing travel information and online booking. The Internet plays an important role during visitors' trip as well as after they travel back home. Nowadays, creating and maintaining website could be done easily in a cost of effective manner. This lowers barriers for SMEs to compete in the international market.

E-marketing uses the Internet as a platform for businesses to understand their customers' needs, reduce transaction costs, and give customers flexibility to do online surfing anytime and anywhere (Watson et al., 2002). E-marketing also provides platforms for customer and provider to interact directly, this forming direct relationship at lower cost (Sheth et al., 2000; Sharma & Jagdish, 2004). The main benefits are reduction of marketing and communication cost and wider reach. The cost of online marketing is lesser than other marketing platform such as face-to-face merchants or suppliers (Watson et al., 2002). First, the companies can provide unlimited and accurate information to their customers in easier form to understand, so they would have opportunity to select themselves the best choice. Second, the E-marketing also give companies a chance to interact by customizing information in order to meet the customer requirements (Watson et al., 2002). Finally, E-marketing platform can help companies saving employee cost. In addition, online marketing is able to provide the value adding for company and assists them easily contact directly with their customers, gather the customer profile data and their purchasing behavior and creating good relationship. According to Smith and Chaffey (2001), they pinpoint advantage of the Internet as marketing supportive and provide ability to business to generate profit. E-marketing is also the application of promotion techniques, such as banner advertising, e-mails, links and services which offered to increase customer attraction and succeed company profitability (Chaffey, 2004). To reach the target customer around the world, the company needs to apply the Internet technology. Melewar and Smith (2003) mentioned, "*The Internet has become established global channel through which both existing and new potential can be*

*targeted and also organizations can publicize and present their commercial offerings*". Nevertheless, only website application is not enough to influence viewer to become buyer. A number of websites on network competes with each other to reach target customers. Consequently, search engines such as Google, Yahoo and Bing help to generate traffic to website by tying the websites with specific key words. Therefore, when the customers use those associated keywords, they could find the website easier and faster (Nyheim et al, 2005). Other tools help the websites to be on the top rank when searching such as SEO and PPC.

### **2.2.1 Search Engine Optimization (SEO)**

SEO becomes a significant tool in supporting website to improve its ranking (Chen Y. et al, 2010) and promoting Uniform Resource Locators (URL) among competitors. This engine is one of the Search Engine Marketing (SEM) (Beer, 2008) which is also called "keyword advertisement", use data observation and marketing research to identify the most appropriate keyword (Malaga, 2007) in order to make the website be rapidly found by SEO. Its objective is not only to make to website visible, but also to increase sales (Chen Y. et al, 2010).

### **2.2.2 Pay-Per-Click (PPC)**

PPC is another Search Engine Marketing strategy which is a non-natural website ranking. Individuals have to pay advertising costs after the consumer clicks on a link. If the providers want to associate their websites with more popular keywords, the cost per click would be higher.

Table 2.1 Comparison of SEO and PPC

	<b>SEO</b>	<b>PPC</b>
<i>Cost</i>	Free or lower cost search engine marketing	Pay per click cost of the keyword, so the cost would be higher.
<i>Stay of rankings</i>	The ranking is stable	Using the PPC's website the exposure is high, but after not using the attached fee still returns to the nature sort.
<i>Risk of invalid clicks</i>	Do not have the risk of invalid clicks	Have to accept the risk of invalid clicks

Table 2.1 Continue

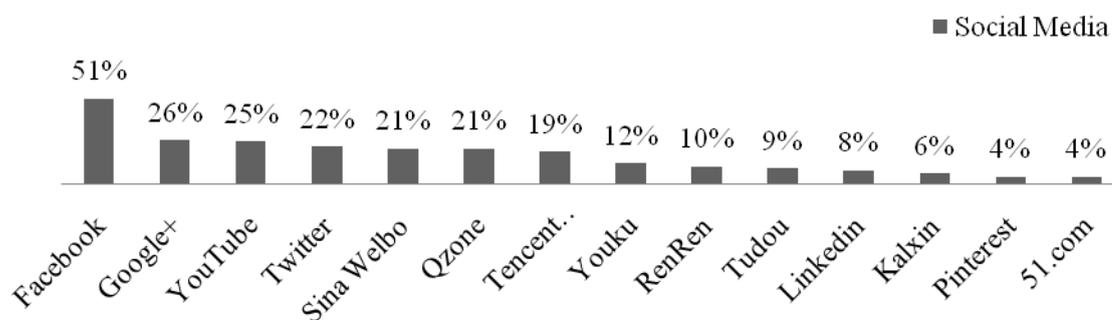
	SEO	PPC
<i>Time</i>	Longer	Shorter
<i>Uncertainty of ranking</i>	To confirm that each keyword appear in the high rankings, will be more uncertainty factors.	After paying, the keyword search is great certainty.
<i>Be diversionary</i>	It is easier to contain by search engine algorithms.	It is not easy to contain by search engine algorithms.

Source: Chen, Y., Bih, Y., Zih, S. & Tsung, H. (2010).

### 2.3 Social Networking Sites

Social Networking Sites such as MySpace, Facebook, Twitter, Google+, Youtube, Cyworld, Instagram, and Pinterest have attracted millions of worldwide users. They have changed customers' behavior in terms of their engagement with the marketer and fellow customers as they can update information, share their interests, entertain, express their opinion or become a part of the communication programs (Larson, 2009). E-Marketer (2013) found that number of the Internet users log on the site at least once a month and indicated that Facebook is number 1 of social network worldwide. Figure 2.2 shows that there are many other sites used as second-place.

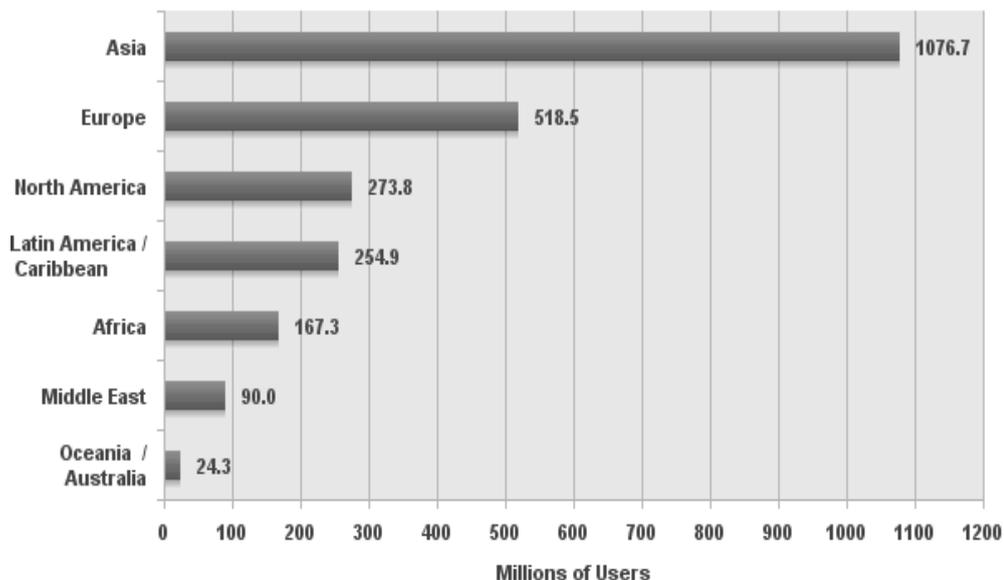
Figure 2.2 Top 15 social media sites worldwide, ranked by penetration of active users, quarter 1, 2013 (Percentage of Internet users).



Source: www.eMarketer.com (2013) <http://www.emarketer.com/Article/Which-Social-Networks-Growing-Fastest-Worldwide/1009884>

Figure 2.3 indicates that in 2012 there were 1,076.7 millions of users in Asia, followed by Europe and North America. In South Korea, Google+ users were increasing 209% and the number of Twitter users rise up to 44% in Indonesia changed from Q2 2012 (e-Marketer, 2013).

Figure 2.3 Internet Users in the World by Geographic Regions – 2012 Q2



Source: Miniwatts Marketing Group. (2012).

Table 2.3 indicates the growing of social network usage comes from using device such as smart phone and tablet which are increasing used for social activities. For example, individuals use smartphone to watch videos and send private message to their friends via Facebook. Currently, the Facebook has become as a community website (Dumon, 2008) and many enterprises have set their fan page up as their marketing tool in order to communicate and interact with their customers and prospects. The increasing number of the Internet users point to their changed behavior such as online purchasing which creates opportunity for many companies conducting e-commerce.

Table 2.2 Change in worldwide Facebook users' activities on Facebook by device, quarter 1, 2013 (Percentage change vs. quarter 2, 2012)

	PC	Mobile Phone	Tablet
Watched video clips created by other internet users	47%	47%	93%
Shared a link to an article	44%	47%	72%
Followed a group or like a page created by a brand	40%	53%	91%
Clicked a button linked to the service that "likes" an article, page, product, etc.	37%	43%	74%
Messaged with friends on a one-on-one basis	34%	71%	90%
Commented on a friend's photo or video	34%	53%	82%
Posted comment about my daily activities	33%	46%	75%
Commented on a friend's post	31%	45%	75%
Uploaded and shared photos	27%	24%	35%

Source: <http://www.emarketer.com/Article/Which-Social-Networks-Growing-Fastest-Worldwide/1009884>

In today's world of communication technology has developed and online marketing also influences to change the customer behavior including with need recognition, information acquisition, thoughts and attitudes, purchase behavior, and post-purchase communication (Mangold and Faulds, 2009).

## 2.4 E-commerce

High-speed Internet has been widely spreading among communities and electronic commerce among businesses creates both of opportunities and challenges for all industries. It is the business, commercial or exchange transactions which place on the Internet and website by using digital technology between organizations and individuals (Laudon *et al.*, 2006). It can be described as the transaction which uses the Internet for purchasing, selling, and trading of goods, services, and information (Wolfgang and Galit, 2008). The following activities are made convenient for all parties involved (business, customer and government); marketing, customer relationship, information delivery, data collection, tracking and payment. In term of service

perspective, e-commerce is a tool using to cut service costs while advancing the quality of products and increasing the speed of service (E.W.T. Ngai and F.K.T. Wat, 2001).

Friedman (2006) and Sirdeshmukh et al. (2002) argued the Internet can lead customers to other providers if their products or services were similar and meet customers' expectations. The customers can switch to another brand easily if the products have little differentiation. However, Farmar (1999) argued that if the consumers are concerned with e-supplier's trustworthiness, their brand loyalty is also high. There are nine different categories of e-commerce as shown in Table 2.4 indicates that customers can sell products directly to other customers (C2C). For example, eBay, the web auction site, enable individuals to sell their own goods by auctioning. In addition, B2C organization where involves retailing products to their customers. For example, Barnesandnoble.com which sells books, music and software to consumers (Laudon et al., 2006).

Table 2.3 Categories of e-commerce

	To	Customer	Business	Government
From				
Customer		C2C	C2B	C2G
Business		B2C	B2B	B2G
Government		G2C	G2B	G2G

Source: Marc, J. Schniederjans & Quing, C. (2002).

As Thailand has improved 3G and mobile commerce is more widespread, Thai people involve many online activities via their smartphone and tablet for entertainment, information searching, online purchasing, and low cost communication. The reason that raises the number of online purchasing is the growing of debit card payment and e-banking. The changed behavior leads the corporate website changes from e-catalog to e-tailor in order to let their customers conveniently purchase online and the merchants also conduct social media communication strategy via Facebook, Twitter, and Instagram to connect directly with their customers, provide online promotion and conduct online marketing (Pongwittayapanu, 2012).

E-commerce might be concerned with design, finance, production, marketing, inventory, distribution, and service as business activities (OECD, 2001). Some of the benefits illustrate in Table 2.4 and 2.5.

Table 2.4 E-commerce tangible benefits

<b>Researcher</b>	<b>Tangible Benefits</b>
Fraser et al. 2000; Lee 2001; Riggins, 1999	Business efficiency
Fraser et al. 2000; Dan et al, 2001	Increased automation of processes
Fraser et al. 2000	Transformation of traditional market chain
Fraser et al. 2000; Rahul, Biju and Abraham 2001; Turban, et al, 2000	Retained and expanded customer base
Kent and Lee, 1999; Grover and Ramanlal, 2000; Kare-Silver, 1998; Fergusson, 1999	Reduced operation costs
Riggins, 1999; Rahul et al. 2001	Acquisition of a niche market

Source: Joze, K., Julie, F.& Angela, S. (2002).

Table 2.5 E-commerce intangible benefits

<b>Researcher</b>	<b>Intangible Benefits</b>
Whinston et al. 1997; Lee 2001	Enhancing well-being and education of customers
Lee 2001; Hoffman et al. 1999; Coulson, 1999	Customer loyalty
Kalakota et al. 1999; Hoffman et al. 1999; Straub, 2000; Kare-Silver, 1998	Competitive advantage
Hannon, 1998; Winner, 1997	Convenient shopping

Source: Joze, K., Julie, F.& Angela, S. (2002).

However, there are many disadvantages could be found for trading on the Internet as shown in the Table 2.6

Table 2.6 Disadvantages for traders and buyers on e-commerce

<b>Disadvantages for trader</b>	<b>Disadvantages for buyers</b>
Competition increasing	Lack of sufficient system security and privacy of personal data
Often updating technologies	Lack of human interactive feeling
Growing bandwidth demands	Inability touch and try products before purchasing
Difficult to integrate traditional business systems with e-business transactions	Tax charges and logistical difficulties of product return
Increasing maintaining system costs	Social division
Global market issues: currency conversion, unknown political environment	Difficulty in policing the Internet

Source: Napier, A., Rivers, O., Wagner, S., & Napier, JB. (2006).

Online purchasing would bring unpredictable number of customers from all around the world and inaccurate inventory forecasting. Thus, company need to plan in advance such as hiring people, production capacity, warehouse space and customer service. The e-commerce, therefore, creates the window of opportunities and challenges and company has to be prepared to meet the future changes.

## **2.5 Consumer behavior on the Internet**

Richness of information on the Internet allows customers to keep themselves updated about supplier, products, and service information (Bruner, 1997; Chung-Hoon, 2003; Settles, 1995) cause the consumer easily switch from one supplier to the others (Lindstrom, 2002). Many factors such as customers' service and support expectation cause brand preference shift (Merrilees and Fry, 2002). In addition, online consumer behaviors also vary by gender as males and females have different surfing pattern (Donthu and Garcia, 1999; Kongaonkar and Wolin, 1999). In contrast, Fayawardhena et al. (2003) pointed that the gender bias is dwindling. Previous research showed that important factors, which affect consumers' purchasing decisions online, are belief, price, trust, experience and convenience (Chung-Hoon, 2003; Constantinides, 2004; Donthu and Garcia, 1999; Fayawardhena, 2003; Kung et al., 2002; George *et al.*, 2006; MaCole, 2002; Quint, 1998). Time, ease and effort are also the important factors (Devarajet *al.*, 2003). The ease of

using the Internet includes with less time consumption , site design, site navigation, site speed, ordering and payment process, accessibility and search facilities (Constantinides, 2004; Szymanski and Hise, 2000).

## **2.6 Marketing mix (7P's)**

The successful marketing depends on the combination of key issues which including with 7 aspects called 7P's marketing mix (The Chartered Institute of Marketing, 2009). It refers to the combining of 4Ps with people, physical assets and process and separately practice from tangible good marketing (Lovelock, 1996).

**Product:** Many businesses make a decision on what kind of products or services they would like to offer. Most successful companies conduct the customer survey to identify the actual customer need, want and demand in order to develop the right products or services (The Chartered Institute of Marketing, 2009). In the service industry, hotel product refers to both of goods and services that hotels offer to their customers (Wongmontha, 1999). It also includes branding as this signifies the image of companies (Hsu & Power, 2002). In the hospitality and tourism industry, providers usually offer various kinds of facilities for business visitors and vacationers. The previous research stated that 59% of visitors required fitness facilities while they are staying (Verma, 2002). However, Adams (2001) pointed that 70% of business travelers satisfied if the accommodation has the Internet connection and services.

**Price:** As the Internet population grows, individuals expect to get lower prices than shopping in outlets. It is assumed that the consumers believe in the key role of the online store which can offer the best price and product information to help the consumers' search and to reduce their purchasing costs (Kung et al., 2002; Phau and Poon, 2000). In addition, the Internet also increases the price competition and standardization, especially when the products and services have similarity (Jarvenpaa and Todd, 1997; Kung et al., 2002). The Chartered Institute of Marketing, (2009) argued that the products or services would be worthy if its benefit meets the customers' expectation level. SMEs are able to compete with the larger companies by adding more value on their products, for example, offering the customers after sale service. On the other hand, the higher price would generate higher expectation because the customers would have positive perception and attention to the products or services.

**Place:** refers to where the customer purchases products or where the product is distributed (The Chartered Institute of Marketing, 2009). The location is a very substantial characteristic in hotel marketing mix (Armstrong & Kotler, 2003). Lewis and Chambers (1989) stated that place or location was the most essential factor persuading accommodation selection by all business visitors. Williams (2002) supported that the location was the most significant factors for both business and leisure travelers. Consequently, serviced apartments typically located in the key locations, which are easy to access to business areas, shopping centers or travel network to attract different characteristic of customers. Mostly, location of serviced apartment providers is very significant selling point in hospitality industry (Armstrong & Kotler, 2003).

**Promotion:** is the way of communication that a company uses to interconnect with their customers. The promotional characteristics should gain attention, be attractive, tell the right message, and give customers the reason to choose their products and services (The Chartered Institute of Marketing, 2009). The promotional tools include with advertising, sales promotion, public relations, personal selling, word of mouth (WOM) and direct marketing (Kotler, 2003 and Hudson, 2008). The advertising is a way for businesses to deliver their customers the messages about product and service information (Reid and Bojanic, 2006). The influence of hotel advertising on TV and magazines has more positive effect on Asian travelers than Western visitors (Chan and Wong, 2005). In the hospitality industry, information on the websites is another important source for both of business and leisure visitors (Adams, 2001).

**People:** Customers concern employees (People) of the serviced apartments. The impressions they create have effects on the customer purchasing decision or customer satisfaction in positive and negative way. Customers' perception of staff services essentially determines their satisfaction level and rates of returning guests (Choi & Chu, 2001). Therefore, the company staff training is significant process to build employees being well motivated, have the great attitude and be the right person for the job (The Chartered Institute of Marketing, 2009).

**Processes:** are the steps employed in delivering services and creating customer satisfaction. For example, the company staff gives the customers clear product or service information. The process is important for the company image, but it is often overlooked (The Chartered Institute of Marketing, 2009).

**Physical Evidence:** refers to creating service perception in the customers' mind using tools such as case studies and testimonials. Both tools can provide the evidence that the company promises (The Chartered Institute of Marketing, 2009).

## 2.7 Factors Affecting Consumer Behavior

The customer behavior study is divided into three roles: user, payer and buyer. There are many aspects influencing the purchasing process of buyers. The literature classifies these factors in various ways (see table 2.7).

Table 2.7 Factors Affecting Consumer Buying—Literature Review

Researcher	Major factors
<i>Enis (1974)</i>	Personal factors, social factors
<i>Cross and Peterson (1987)</i>	Social factors, physical factors
<i>Dibb and Etal (1991)</i>	Personal factors, social factors, physical factors
<i>Cohen (1991)</i>	Marketing mix, physical factors
<i>Zikmond and Amico (1993)</i>	Social factors, environmental factors, individual factors
<i>McCarthy and Perreault (1993)</i>	Physical factors, social factors
<i>Narayana and Raol (1993)</i>	Physical factors, social factors, cultural factors
<i>Keegan (1995)</i>	Social factors, cultural factors, economic factors, geographic factors
<i>Setlow (1996)</i>	Personal factors, marketing mix, environmental factors
<i>Stanton (1997)</i>	Social factors, physical factors, attitudinal factors
<i>Lancaster and Reynold (1998)</i>	Physical factors, social factors, cultural factors
<i>Kotler and Armstrong (2007)</i>	Physical factors, social factors, cultural factors, personal factors
<i>Straughan and Roberts (1999)</i>	Demographic factors, lifestyle
<i>Pride and Ferrell (2000)</i>	Social factors, physical factors, attitudinal factors

Source: Fatimah Furaiji, MalgorzataLatuszyrska, AgataWawrzyniak, 2012

Before developing the marketing strategies, it is necessary to understand markets. The task of marketing accurately identifies the customers' needs, wants and demands, then to advance products and services to satisfy them. In fact, the consumers may not know their inner motivation which affecting their purchasing behavior. Consumers have various in age, income, education, and other factors, which called buyer's characteristics. The researcher focuses on the buyer's characteristics which include with four factors; Personal Factors, Social Factors, Psychological Factors and Cultural Factors that influence buyers' decision.

### 2.7.1 Personal Factors

The personal factors are the consumers' own set of individual characteristics, which could influence purchasing behavior (Padraig B., 2004).

**Occupation:** Individuals' occupation could directly influence the consumer behavior (Padraig B., 2004). Their occupation affects to what goods and services they purchased. Marketer attempts to identify the groups of occupation as shown in the table 2.8.

Table 2.8 Socioeconomic Classification Scheme

Class Name	Social Status	Occupational Head of Household
A	Upper Middle	Higher managerial administrative or professional
B	Middle	Intermediate managerial administrative or professional
C1	Lower Middle	Superiors or clerical, junior managerial, administrative or professional
C2	Skilled Middle	Skilled manual workers
D	Working	Semi-skilled and unskilled manual workers
E	Those at lowest level of subsistence	State pensioners or widows, casual or lower-grade workers

Source: Durmaz and Sebastian, 2012

Therefore, the company can use the occupational group to classify the group of products and services they need (Durmaz and Sebastian, 2012).

**Age** or human lifecycle also influence the consumer behavior in term of individual perception. The consumer behavior and tastes of the consumer could be varied with age (Padraig,

2004). Armstrong & Kotler (2003) supported that individuals change the products and services they purchase over their lifetimes. Preferences in food, clothes, furniture and the accommodation interrelated to age. There are three subcategories of the age: baby, teen and the mature markets, which have different needs (Peter and Olson, 1996). The great market for tourism industry is people whom born between 1946 and 1964 are called 'Baby Boomer' generation are (Kotler, Bowen & Makens, 2006). In hospitality and tourism industry, the age levels of visitors may directly relate to the pattern of their travel. Chan and Wong (2005) established that different age levels have important effect on accommodation chosen factors.

**Economic Condition:** The monthly income could be the significant factor to consumer behavior. "A person's economic situation will affect their product choice" (Padraig B., 2004). The consumer economic situation has excessive influence on individual purchasing behavior. The size of consumer's family, the amount of income and individuals saving are also influence to favorable purchasing behavior (Lawan and Ramat, 2013). The individuals who gain lower income will have insufficient choices to select their accommodation; most of them are interested in staying in backpacker center, temple, and guesthouse or budget apartment while they are travelling. The economic aspect is the most important factor to the consumer who has low social value product and service of the consumption (Lawan and Ramat, 2013). Peter and Olson (1996) stated that individuals with different income level might have different values, behaviors, and lifestyles. In addition, education also relates to the levels of income. Individuals with greater income and education levels tended to search for more information about products and serviced (Runyon & Stewart, 1987). Moreover, the travelers with higher income level were more influenced by brand of accommodation and promotion than those with lower income (Chan & Wong, 2005). This may assume that individual economic condition can influence the consumer behavior and buying decision-making.

**Lifestyle:** is the person's pattern of living combined with their activities, interests and opinion (Rogan, 2000). Lifestyle refers to the way of individuals live in the society. It is affected by individual's attitude, perception, social relationship, trait and environment. For instance, teenagers who adore water sport, they might select any accommodation where offers the kind of sport or located near the water sport site. Durmaz and Sebastian (2012) stated that individuals who come from the same culture, subculture, social class and occupation could have

different lifestyles. In hospitality industry, marketer or accommodation providers can use the lifestyle concept to understand the customer behavior and their purchase decision making.

**Personality:** This aspect refers to individuals' psychological characteristics and traits (Padraig, 2004). Each individual has his/her own characteristic of personality, which encourages the consumer behavior. Individual's personality refers to the unique characteristics of psychology, which relates to their own environment (Durmaz and Sebastian, 2012).

### **2.7.2 Cultural Factors**

Culture is the combination of human societies, roles, behavior, values, traditions and customs. It is also the shared objective among society members. Culture is exceedingly significant to understand the customer behavior, which often affects consumer-purchasing decisions (Durmaz and Sebastian, 2012). One element that concerned with culture is beliefs because it can show the similarities in a community. Another element of culture is tradition, is connected with non-verbal individual's behavior. For example, the French women use less cosmetic product than the men do, which links the self-conscious tradition of the French men. As a result, learning the culture and then analyzing the consumer behavior are significant in marketing, especially in market segmentation, product positioning and target market (Durmaz et al., 2011). In each culture also contains sub-culture, which is group of people who share values. Sub-cultures can create the different market segment. For instant, the youth culture has distinct values and buying characteristics from the older generation (Durmaz and Sebastian, 2012). The essential formations of sub-culture are geographical regions and religions. It is important to understand the sub-culture characteristics in order to create brand name identification, promotional activities and product positioning (Durmaz et al., 2011). In every society, social class is formed by similarity of buying behavior of people. The social class is classified by various factors such as wealth, education, occupation, communication styles and individual status (Durmaz and Sebastian, 2012). For instance, the preference in clothing, home decoration and entertainment are varied by social classes. In additional, some social class has different spoken language.

### 2.7.3 Social Factors

The consumer behavior can also be influenced by social factors such as groups, family, roles and status. Williams (2002) stated that customers could be extremely influenced by other people who interact with. It plays important role in the decision of purchasing products, so knowing the factors that automatically affect the customer decision will give positive effects on delivering the customers with the better products or services.

**Reference Groups** have latent to form the personal attitude, behavior and also include leader's opinions (a person who has ability to influence other because of special skill, knowledge or other characteristics) which also affect the variety of products and brands such as family members, friends, social organizations, professional institutions and trade (Durmaz and Sebastian, 2012). The reference group can affect individual in new behaviors, lifestyles, ideas, imaginations, interests and choice of products (Kotler and Armstrong, 2006).

**Family** is people who live together related by blood or marriage. It is the form of initial reference group which has the great impact on buyer behavior. The consumer behavior is influenced not only by personal factors and motivations, but also by the families' relationships. Family member also encompasses the needs of two or more generations. In a family, members must use some products or services in a common and shared, so the members strongly influenced by family's opinion (Durmaz and Sebastian, 2012).

**Roles and Status**, each person belongs to many different group-families, clubs or organizations. The person's position in each group can be well-defined in both of role and status. The role is concerned with the activities, which people expected to perform to the others (Durmaz and Sebastian, 2012).

### 2.7.4 Psychological Factors

Psychological factors are the component of people's mental processes, comprising perception, motivation, knowledge and capacities, attitude and personality (Ilona, 2011). There are four main factors, which can affect to the consumer buying decision process (Durmaz and Sebastian, 2012).

**Motivation** is an internal stimulus that directly affect to personal behavior (Durmaz and Sebastian, 2012). Motivation can refers to "the reasons underlying behavior" (Guay et al.,

2010). There are five different levels in Maslow's hierarchy of needs, which are Physiological Needs, Security Needs, Social Needs, Esteem Needs and Self-actualizing Needs.

**Perception** is called the energy that shapes the world outlook surrounding differently. Previous information and experience received through people's sense would be formed the perception (Durmaz and Sebastian, 2012). Creating the positive perception to products and services would be important. For example, the Dcondo's television commercial advertising of Sansiri by selecting young generation who have many difference lifestyle to perform in order to make people feel about independent lifestyle with Dcondo brand. In addition, this television also creates the song by repeating the sentence is "every day is good day". When people hear this song with using a lot of "D", they would think about Dcondo.

**Learning** can change a person's thought process which caused by previous experience (Durmaz and Sebastian, 2012). Marketer can provide the information for consumer learning in order to make the people better understands products or services.

**Beliefs and attitudes** are based on knowledge, faith, or hearsay (Durmaz and Sebastian, 2012). Attitude is the most important of consumer behavior because it affects to individual's performing and influences the others' opinions about behavior (Price et al, 2004). Attitude is the index or interpersonal communication, which indicates individuals' thought and emotion impacted by belief. It is prepared to affect individuals' future behavior or response to stimulus (Sotanasatien, 1990). Therefore, the attitude refers to three components which are an affect (a feeling), internal cognition (thought and belief), and behavior (an action). Attitude help customers define how they see products and services, as well as define how they behave toward the situation or marketing communication. Thus, the attitude viewed from individuals' resulting behaviors. For instance, there are 73 percent of e-customers will leave the website if it takes more than three clicks to get what they expect to know (Jiang and Rosenbloom, 2005). Hoyer and Macinnis (2001) also supports that the satisfaction of e-customers affect to their attitude of purchasing and e-retailer.

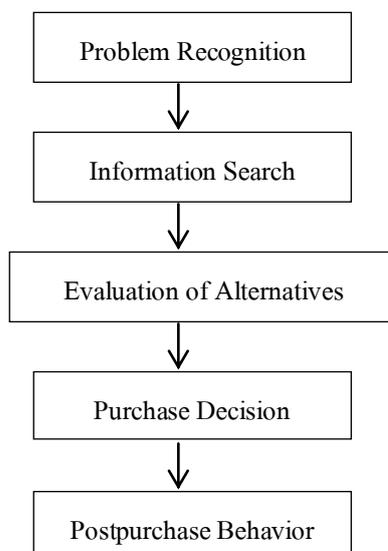
As the studying of factors that influence customer behavior, the researcher understand what factors could effect to customer behavior and how important to recognize the customer characteristics. The provider or investor of serviced apartment benefits to realize their customers'

demand in order to provide the right marketing mix to accurately stimulate and supply their needs.

## 2.8 Purchasing decision process

Consumer behavior purchasing process is a complex procedure including various internal and external factors (Hawkins et al., 2004) or mental and social process, which impact on consumer decision making. “Consumers buying behavior refers to the purchasing of products for personal or household use, not for business purposes” William et al. (2010). The consumer’s purchasing decision process is collectively described in five stages; problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior (Kotler, 2003). Customers could skip or reverse the purchasing decision stages, it depends on the product or service and whether it is a complex or habitual buying behavior (Kotler, 2008). For example, consumer could skip evaluation of alternative when having low involvement (Peter and Olson, 2005). Marketer need to get in-depth understand how the consumer decision making and the various influences on purchasers.

Figure 2.4 The state of the buying decision process



Source: Kotler, 2003

**Problem recognition** is the first stage of the purchasing decision process involves the consumer recognizing or awareness of actual problem or desire, which could motivate the consumer to purchase. To generate marketing strategies, marketer could identify the most frequent motivation factors lighten interest in product or service and lead to the second stage of the purchasing process (Kotler, 2003).

**Information search** refers to the consumer taking up some research gathering more information and advance in-depth through it about individuals' need recognition. The research would depend on the level of product or service aspiration. At the active information search level, individuals surf on the internet, have conversation with friends and explore many shops to learn more about the product (Kotler, 2003). The globalization society has allowed individuals to conduct the exploration in much more options especially, such as the internet. There is over half of all internet users conduct the research of products online in advance prior creating actual purchase (Mintel, 2011). Normally, the consumer information sources could be categorized into four groups (Kotler, 2003):

- Personal sources: Family, friends, neighbors, acquaintances
- Commercial sources: Advertising, salespersons, dealers, packaging, displays
- Public sources: Mass media, consumer-rating organizations
- Experimental sources: Handling, examining, using the product

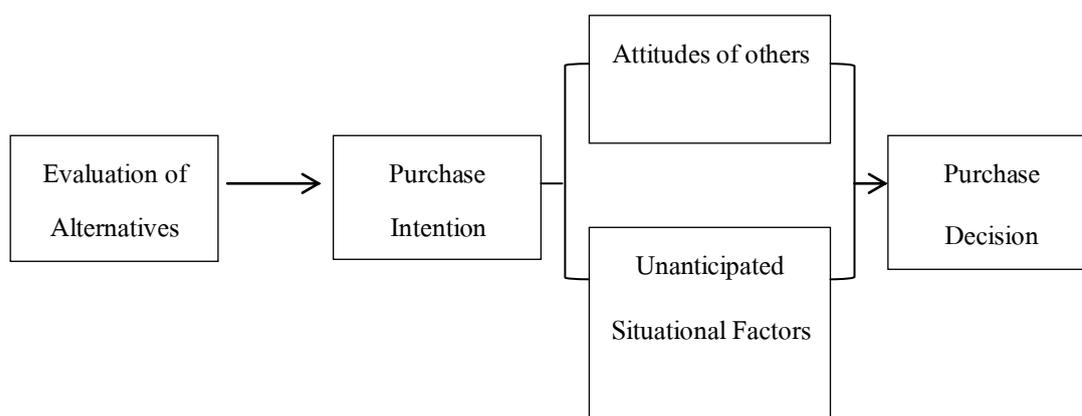
The most effective sources are commercial sources and personal sources such as advertisements or salespersons (Kotler, 2003). During the process of information gathering, the consumers would also learn and recognize brand competition (Kotler, 2003) because the brand founders attempt to convince their consumers conducting the actual purchase on their brand.

**Evaluation of alternative**, the consumer conducts judgment on the product or service. The basic concept for evaluation process would lie on need satisfaction which would be effected from the benefit of product solution. It leads the consumer to recognize each product as a bundle of attributes. In the process of evaluating, the consumer grows a set of brand beliefs which impact to brand image. The consumers' perception would be varied by the previous individuals' experiences (Kotler, 2003).

**Purchase decision**, the consumer brand preference and intention would be formed in the evaluation of alternatives process. Both of them could persuade the consumer to purchase

the most preferred brand. However, there are two factors, which could intervene between the purchase intention and decision, which are attitudes of others, and unanticipated situational factors (Kotler, 2003).

Figure 2.5 Steps between evaluation of alternatives and purchase decision



Source: Kotler (2003)

The attitude of others refers to another person's attitude which could influence or motivate the consumers to obey them. The negative attitude would reduce the purchaser preferences. For the unanticipated situational factors, the purchase intention would be changed when the other purchase become more necessary (Kotler, 2003).

**Post-purchase behavior**, the consumer would experience some level of satisfaction or dissatisfaction after the product purchasing is done. The marketer could monitor their post-purchase satisfaction, actions, use and disposal. The feeling of satisfaction would influence the consumer to repurchase or talk favorably about the product to others. In the contrary, if the consumer dissatisfy, the marketer could use post-purchase communication to purchaser in order to diminish the product return and order cancellations (Kotler, 2003).

## CHAPTER 3

### METHODOLOGY

This chapter describes the methodology of the research, which is the combination between quantitative research and qualitative study. The quantitative data got from online and offline questionnaires that distributed to the guests who are staying and used to stay in serviced apartment in Phuket. The qualitative data obtained from interviewing with serviced apartment owners in Phuket.

This chapter describes the research method used in this research. It is organized in sections as follows:

#### 3.1 Target population, sample group, and sampling method

##### 3.1.1 Target population

##### 3.1.2 Sample size

##### 3.1.3 Sampling method

#### 3.2 Type of research

#### 3.3 Research instruments

#### 3.4 Data collection

#### 3.5 Data analysis

### **3.1 Target Population, Sampling group and Sampling method**

#### **3.1.1 Target Population**

The target population in this study is located in 14 locations in Phuket, which are Bangtao, Kamala, Patong, Kathu, AmphurMuang, Chalong, Rawai, Surin, Maikao, Ao Po, Karon, Kata, Naithon, and Naiyang. There are two targets of population involved in this study are as follow:

Group 1: Serviced Apartment Guests in Phuket. The data collected from the guests who stay or used to stay in serviced apartment in Phuket at least one night. Both of domestic and international guests had opportunity to response this quantitative research. The researcher conducted questionnaire distribution by asking for the serviced apartment owners' permission and enquiring their receptionists to distribute the questionnaire. In additional, the researchers also

conducted online questionnaires in order to ask the guests who used to stay in serviced apartment in Phuket.

Group 2: Serviced Apartment Owners. The owners interviewed with relevant questions in order to study the real experience and learn their opinion in term of management level.

### **3.1.2 Sampling group**

#### *Group 1: Serviced Apartment Guests*

This group was divided into two sub-divisions, which are the guests who are staying in serviced apartment in Phuket at least one night. The researcher asked for the permission from serviced apartment owners for questionnaire distribution and asked for the assistance from receptionists to distribute the questionnaire to their guests. Another group is the guests who used to stay in serviced apartment in Phuket at least one night which was obtained from Facebook 'TAT source and TAT Phuket fanpage', TripAdvisor and Pantip 'Blue Planet', were the targets for online survey. Moreover, other media users from different websites forum such as thaivisa.com and flyertalk.com were included in target population.

#### *Group 2: Serviced Apartment Owners*

The researcher found 30 serviced apartments in Phuket, which provide their information on the Internet such as website and Facebook. In-depth interviews were conducted with selected serviced apartments in Phuket. These in-depth interviews were the key to answer how the E-marketing is important to their serviced apartment. The target group of this case was serviced apartment owners or authorized person.

### **3.1.3 Sampling method**

Group 1: The questionnaire distributed to present serviced apartment guests by using purposive sampling. The researcher selected 30 serviced apartments, which had characteristics of serviced apartment minimum providing of room service and kitchenette. The researcher also used convenient sampling method to select 20 serviced apartments, which got participation from serviced apartment owners and the assistance of receptionists distributing the questionnaire to their guests.

For the online questionnaire, the researcher distributed it via Facebook and TripAdvisor using purposive sampling method, which targeted to acquire response from various kinds of travelers who are social media users. In addition, the researcher used convenient sampling

method by posting the questionnaires in several travel website forums, which are Pantip 'Blue Planet', thaivisa.com and flyertalk.com in which they might or might not be social media users in order to avoid bias. The researcher planned to accomplish 400 returned questionnaire responses from present serviced apartment guests and the guests who experienced staying in serviced apartment in Phuket. According to Yamane (1967), 400 target sampling size are the good representatives of population which the confidence interval is at 95%.

Group 2: In-depth interview was conducted with 12 from 30 serviced apartments in Phuket by using purposive and convenient sampling method in choosing serviced apartments because some of serviced apartments in Phuket did not provide their information on the Internet which were not concerned with E-marketing. In addition, some of the serviced apartments' owners were not available in Thailand and was unable to give authority to their subordinates. For purposive sampling, the researcher identified serviced apartments, which provided their information for their customers' convenient on the Internet to conduct interviews. Among these serviced apartments, the researcher used convenience sampling method to select the serviced apartments where were easily access to the serviced apartment owners or authorized person.

### **3.2 Type of Research**

This study applied both of quantitative and qualitative method, which called a mixed method aiming to achieve the objectives.

#### **3.2.1 Quantitative method**

Quantitative data was collected by using the offline and online questionnaires distributed to all selected serviced apartments in Phuket and via the social media and the website forums. The questionnaires were provided in both Thai and English version.

#### **3.2.2 Qualitative method**

Qualitative data gathered from serviced apartment owners or authorized person in Phuket by using in-depth interview method (personal). The researcher prepared questions in advance and some other questions were asked without preparation (semi-structure interview).

### **3.3 Research Instruments**

#### **3.3.1 Questionnaire**

The questionnaires used as an instrument to gather the data from serviced apartment guests' perspective. It was distributed to the serviced apartment guests who stay in Phuket during September-October 2013. While the researcher posted the online questionnaires via social media and the travel website forums to collect data from the guests who used to stay in serviced apartment in Phuket. The questionnaire consisted of 6 pages comprising with 3 types of questions which are Numerical scale, open and closed-ended question.

The first section of the questionnaire began with the open and closed-ended questions which used to scan guests who used or not used to stay in serviced apartment in Phuket, where and how long they stayed.

The second part was about demographic section such as gender, age, education and household income per year by using the closed-ended question to evaluate the significant role of respondent's personal factor, social factor and cultural factor.

The third part was Numerical scale question to assess how 7P's marketing and psychology factor impacted the customers' rental serviced apartment.

The fourth part was closed-ended questions about respondent's online behavior.

The fifth part was Numerical scale question to identify which characteristics of customers paid attention to serviced apartment that provided E-marketing.

The last part of the questionnaire was closed-ended questions to understand how the E-marketing benefited to customers.

After finish collecting the questionnaires, its validity was encoded for analysis.

The survey questions are adapted from Alvaro (2010), Suksin (2008), Weswarut (2010), Khurana (2012) and Lertwannahong (2011).

#### **3.3.2 In-Depth Interviews**

In-depth interviews were conducted with owner of serviced apartments or authorized person in Phuket. The main topic covered how the E-marketing was important and effective to their serviced apartment. The interview questions were adapted from Khurana (2012).

The in-depth interview concentrated on the effectiveness of the E-marketing, and how they applied E-marketing as their alternative marketing channel. The main topics included were as follows:

- How do they practice their marketing activities and in which media?
- How often they conduct those marketing activities?
- Do they include the E-marketing as one of their marketing strategies, and who take action on this part?
- Which degree do they give importance to the E-marketing application? Could the E-marketing generate the revenue for their serviced apartment?
- Dose the E-marketing assist the serviced apartments to reach the target market?
- Why do they apply the E-marketing as marketing strategy, and how it is effective in marketing view?

The interview was conducted for 20-30 minutes per person. All interviews used tape recorder to assist and subsequently transcribed.

### **3.4 Data Collection**

#### **3.4.1 Primary data:**

The questionnaires were distributed online and offline to serviced apartment guests who recently stay and used to stay in Phuket for at least one night. Moreover, the researcher conducted the interview with serviced apartment owner.

#### **3.4.2 Secondary data:**

The secondary data collection includes by following;

Detail about serviced apartment, 7P's marketing, E-marketing, personal factor, social factor, cultural factor, psychology factor and decision-making process was collected from related articles, previous research, books, journal papers and Internet websites.

Reviewed on current real estate, hospitality industry and serviced apartment situation from annual report of relevant companies.

## 3.5 Data Analysis

### 3.5.1 Quantitative data analysis

After gathering the primary data from targeted population, the data was coded, computed and analyzed.

The open and closed-ended questions in the firstpart of the questionnaire wereabout general information of the guests' tripused for scanning the respondents who used to stay in serviced apartment in Phuket.

To analyze the closed-ended question of demographic profiles, the researcher firstly obtained descriptive statistics including with frequency andpercentage of the targeted population. The data used to find out about the demographic characteristics of respondents to evaluate the importance of E-marketing on serviced apartments' searching process of different consumer demographic; gender, age, education, occupation and monthly income.

A Numerical scale in part 3rd used for assessing how 7Ps marketing and psychology factor effected to serviced apartments' searching information.

The closed-ended question in part 4<sup>th</sup> wasabout respondent's online behavior to investigate the necessary of applying E-marketing in serviced apartment.

Numerical scales in part 5th and the closed-ened question in part 6th were used for identifying the benefit of searching for serviced apartment information via internet.

Five point of Numerical scales usedfor assessing how 7Ps marketing and psychology factor effected to serviced apartments' searching information and identifying the benefit of searching for serviced apartment information via internet.

1 Least Important

2 Low Important

3 Medium Important

4 High Important

5 Most Important

For the data analysis, mean based on the interval level, which was calculated as follows:

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

Therefore, the researcher arranged the results of each sub - level as follows:

<b>Mean</b>	<b>Level of important and agreement</b>
1.00 - 1.80	Very Low/ Strongly disagree
1.81 - 2.60	Low/ Disagree
2.61 - 3.40	Medium / Neither agree nor disagree
3.41 - 4.20	High / Agree
4.21 - 5.00	Very High / Strongly agree

Source: Brace (2004)

### 3.5.2 Qualitative data analysis

The interviews used tape-recorder and later transcribed. The content was gathered among owner of serviced apartment or authorized person in Phuket to find the common subjects among of them and the analysis was enabled the researcher to come up with compact summary and valuable recommendations.

### 3.6 Pretest of the Survey Instrument

A trial questionnaire test was distributed to a small sampling offline in order to test its understanding and validity. After the researcher has received 30 feedbacks of the questionnaire, some questions were adjusted to make them clearer and some repeated choices were corrected. In addition, after the first two interviews were conducted, the interview questions were also improved for clarity.

### **3.7 Scope of the Study**

#### **3.7.1 Scope of Research Area**

This research is limited to the necessary and important of E-marketing for serviced apartment in Phuket. Serviced apartment guests were taken to study their online behavior in order to identify the necessary of applying E-marketing in serviced apartment. In addition, the serviced apartment owners were also taken to study how they apply E-marketing as their marketing strategies.

#### **3.7.2 Scope of Time**

The study period was from May to December 2013. The questionnaires were distributed by hand and posed on social media and travel websites which targeted the current and previous guests of serviced apartment in Phuket. In-depth interview with serviced apartments' owner or authorized person in management levels were conducted from September thru October 2013.

#### **3.7.3 Scope of Demographics**

This research had two main targeted populations that are serviced apartment guests and serviced apartment owners. This study directed to identify the perspectives of E-marketing usage from both serviced apartments and consumers.

#### **3.7.4 Scope of Geography**

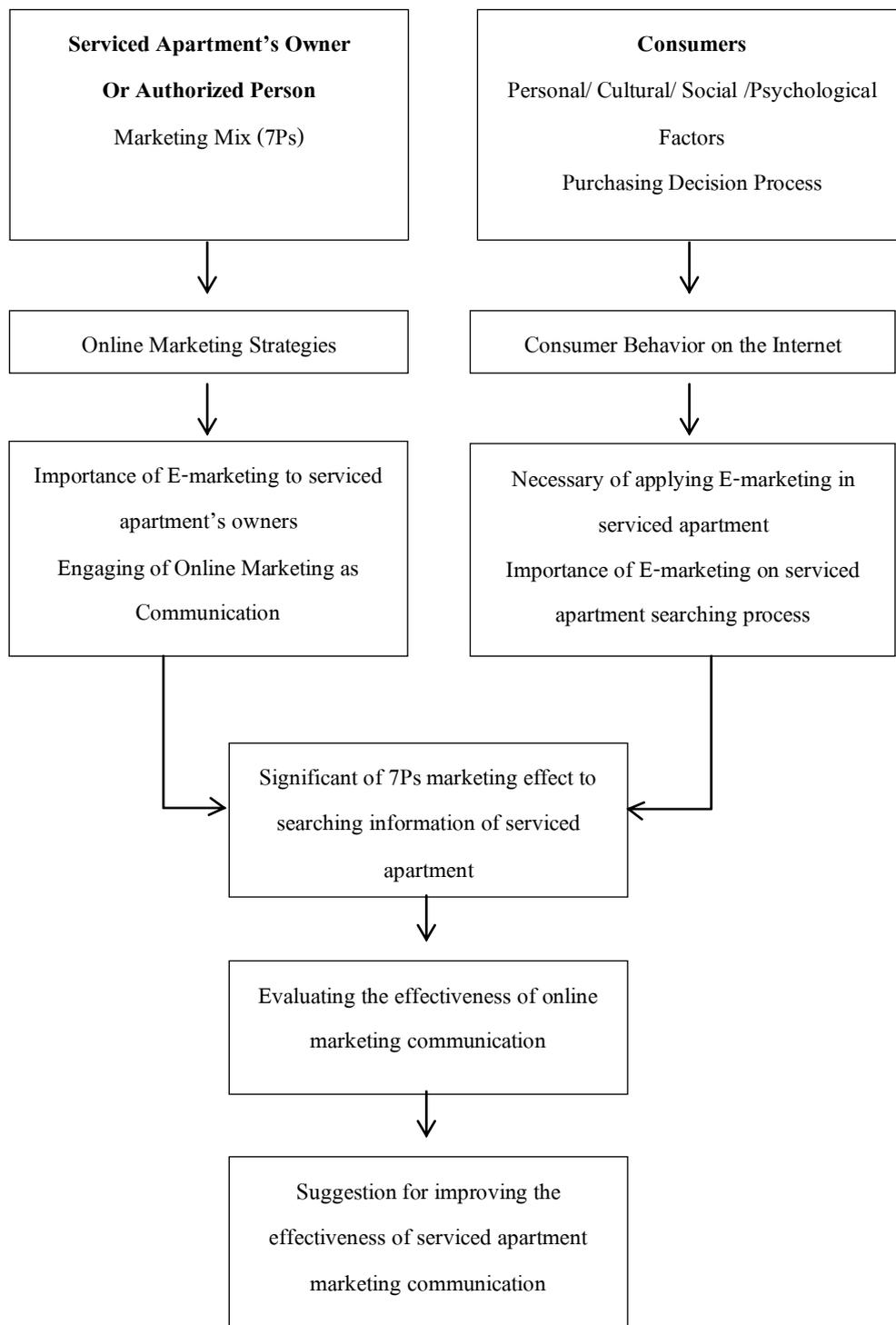
The data collection was scoped to Phuket serviced apartment and both of its international and domestic consumers who had visited Phuket.

### 3.8 Research Flow Chart

	<b>Quantitative Study</b>	<b>Qualitative Study</b>
<b>Purpose of Data Collection</b>	To determine the importance of E-marketing on serviced apartments' searching process of different consumer demographic groups.	Focus on the effectiveness of the E-marketing, and how they apply E-marketing as their alternative marketing channel.
<b>Targeted Population</b>	The Guests who stay in Serviced Apartment in Phuket	Serviced Apartment Owner or Authorized person in Phuket
<b>Research Instruments</b>	Online and offline questionnaires	In-depth interview
<b>Sampling Method</b>	Purposive & Convenience sampling	Purposive & Convenience sampling
<b>Target Sample Size</b>	400 respondents	12 Serviced apartment owners
<b>Data Generation</b>	Code and enter data into statistical analysis program	Record and organize data for analysis
<b>Data Analysis</b>	Analyze data with statistical tests and interpret	Content analysis

Determine the importance and effectiveness of mobile applications as marketing communication tool for hotels and consumers.

### 3.9 Conceptual Framework



## CHAPTER 4

### FINDINGS

In this chapter, the researcher concentrates on the results of the quantitative and qualitative surveys of the study. The quantitative data derived from questionnaire where completed responses were returned. The qualitative data was obtained from the interview questions, which conducted with the 12 serviced apartment's owners or the authorized person in Phuket, Appendix F shows the details of the surveyed serviced apartments.

#### 4.1 Quantitative Results

The quantitative findings are derived from the 380 valid surveys, which were 50 online questionnaires and 330 offline questionnaires that were returned and completely done. The results are illustrated through tables and figures. The data were analyzed by software package in the computer.

##### 4.1.1 Profile of Respondents

As the result shown in Table 4.1, the age of respondents are mostly between 25 to 30 years (31.6%), followed by 31 to 45 years (23.7%) and under 25 years (22.9%). More than one third (76.1%) of the respondents are male. The majority of the nationalities of respondents are Other such as British, European, American and Asian (59.5%). The educations of respondents are mostly Diploma (30.5%) and followed by Bachelor Degree (30.5%). The lowest numbers of respondents are High School or lower (5%). Most of the respondents' occupations are Employee (31.3%) and the second order is Self-Employed/ Entrepreneur (26.6%) and Retired (15.8%). The monthly incomes of respondents are mostly 25,001-50,000 THB (27.9%) and followed by income of 10,001-25,000 THB (25.5%).

Table 4.1 Profile of Respondents

	<b>Demographic Factors</b>	<b>Frequency</b>	<b>Percent (%)</b>
<b>Age (n=380)</b>	25-30 years	120	31.6%
	31-45 years	90	23.7%
	Under 25 years	87	22.9%
	46-60 years	47	12.4%
	60+ years	36	9.5%
<b>Gender (n=380)</b>	Male	289	76.1%
	Female	91	23.9%
<b>Nationality (n=380)</b>	Others	226	59.5%
	Thai	154	40.5%
<b>Education (n=380)</b>	Diploma	134	35.3%
	Bachelor Degree	116	30.5%
	Ph.D	95	25.0%
	Master Degree	30	7.9%
	High School or lower	5	1.3%
<b>Occupation (n=380)</b>	Employee	119	31.3%
	Retired	60	15.8%
	Self Employed/Entrepreneur	101	26.6%
	Government	46	12.1%
	Students	37	9.7%
	Professionals	17	4.5%
<b>Monthly Income (n=380)</b>	25,001-50,000 THB	106	27.9%
	10,000-25,000 THB	97	25.5%
	100,001-120,000 THB	77	20.3%
	50,001-75,000 THB	66	17.4%
	75,001-100,000 THB	9	2.4%
	>120,000 THB	25	6.6%
	< 10,000 THB	0	0%

#### 4.1.2 Factors Influence the Customers to Select a Serviced Apartment

According to the results of significance of 7Ps marketing and psychological factor analysis referred to Table 4.2, it was found that most of the respondents very highly consider PRODUCT, which are room decoration and modern furniture (mean = 4.52) and its good quality facilities (mean = 4.44). PRICE, which is the rental price is suitable with service (mean = 4.22). PLACE, which are close to community (mean = 4.35) and easy to access and have good environment (mean = 4.37). PROMOTION, which are online marketing communication (4.43) and discount promotion (mean = 4.38). PEOPLE, which are friendly staff (mean = 4.38), helpful staff (mean = 4.28) and good manner staff (mean = 4.28). PHYSICAL EVIDENCE, which are cleanliness of internal and external building (mean = 4.47) and Wi-Fi high speed providing (mean = 4.53). PROCESS, which are on-time service delivering (mean = 4.28), available staff for solving the customers' problems (mean = 4.25) and relevant news informing by staff (mean = 4.21). PSYCHOLOGICAL factors, which are the *attitude* of being returning guest (mean = 4.39) and the attitude to recommend the other to stay in the serviced apartment (mean = 4.47).

Table 4.2 Factors Influence the Customers to Select a Serviced Apartment

Factors	Importance	Frequency	Percent (%)	Level of Importance
<b>Product</b>				
Room decoration and modern furniture (n=380)	Most Important	240	63.2%	Most Important
	Very Important	114	30.0%	
	Important	17	4.5%	
	Slightly important	5	1.3%	
	Least important	4	1.1%	
<i>Mean=4.52</i>				
<i>Sd = 0.73</i>				

Table 4.2 Continue

<b>Factors</b>	<b>Importance</b>	<b>Frequency</b>	<b>Percent (%)</b>	<b>Level of Importance</b>
Good quality of room facilities (n=380)	Most Important	211	55.5%	Most Important
	Very Important	128	33.7%	
	Important	41	10.8%	
	Slightly important	0	0%	
	Least important	0	0%	
	<i>Mean=4.44</i>			
<i>Sd = 0.68</i>				
<b>Price</b>				
Rental price is suitable with service (n=380)	Most Important	154	40.5%	Most Important
	Very Important	158	41.6%	
	Important	66	17.4%	
	Slightly important	2	0.5%	
	Least important	0	0%	
	<i>Mean=4.22</i>			
<i>Sd =0.74</i>				
Rental price is suitable with location (n=380)	Most Important	136	35.8%	Very Important
	Very Important	159	41.8%	
	Important	77	20.3%	
	Slightly important	8	2.1%	
	Least important	0	0%	
	<i>Mean=4.11</i>			
<i>Sd = 0.80</i>				

Table 4.2 Continue

<b>Factors</b>	<b>Importance</b>	<b>Frequency</b>	<b>Percent (%)</b>	<b>Level of Importance</b>
<b>Place</b>				
Close to your workplace/school (n=380)	Most Important	121	31.8%	Very Important
	Very Important	139	36.6%	
	Important	108	28.4%	
	Slightly important	12	3.2%	
	Least important	0	0%	
	<i>Mean= 3.97</i>			
<i>Sd = 0.85</i>				
Close to community (n=380)	Least important	0	0%	Most Important
	Slightly important	2	0.5%	
	Important	54	14.2%	
	Very Important	134	35.3%	
	Most Important	190	50.0%	
	<i>Mean= 4.35</i>			
<i>Sd = 0.74</i>				
Easy to access and good environment (n=380)	Most Important	178	46.8%	Most Important
	Very Important	165	43.4%	
	Important	35	9.2%	
	Slightly important	2	0.5%	
	Least important	0	0%	
	<i>Mean= 4.37</i>			
<i>Sd = 0.67</i>				
<b>Promotion</b>				
Marketing communication via E- marketing (Website and Social Network) (n=380)	Most Important	196	51.6%	Most Important
	Very Important	152	40.0%	
	Important	32	8.4%	
	Slightly important	0	0%	
	Least important	0	0%	
	<i>Mean= 4.43</i>			
<i>Sd = 0.64</i>				

Table 4.2 Continue

<b>Factors</b>	<b>Importance</b>	<b>Frequency</b>	<b>Percent (%)</b>	<b>Level of Importance</b>
Discount promotion (n=380)	Most Important	181	47.6%	Most Important
	Very Important	163	42.9%	
	Important	34	8.9%	
	Slightly important	2	0.5%	
	Least important	0	0%	
	<i>Mean= 4.38</i>			
	<i>Sd = 0.67</i>			
<b>People</b>				
Staff are friendly (n=380)	Most Important	192	50.5%	Most Important
	Very Important	141	37.1%	
	Important	45	11.8%	
	Slightly important	2	0.5%	
	Least important	0	0%	
	<i>Mean= 4.38</i>			
	<i>Sd = 0.71</i>			
Staffs provide assistance and effectively solve problem (n=380)	Most Important	172	45.3%	Most Important
	Very Important	144	37.9%	
	Important	64	16.8%	
	Slightly important	0	0%	
	Least important	0	0%	
	<i>Mean= 4.28</i>			
	<i>Sd = 0.74</i>			
Staffs regularly perform with good manner to customers (n=380)	Most Important	173	45.5%	Most Important
	Very Important	141	37.1%	
	Important	64	16.8%	
	Slightly important	2	0.5%	
	Least important	0	0%	
	<i>Mean= 4.28</i>			
	<i>Sd = 0.75</i>			

Table 4.2 Continue

<b>Factors</b>	<b>Importance</b>	<b>Frequency</b>	<b>Percent (%)</b>	<b>Level of Importance</b>
<b>Physical Evidence</b>				
Internal and external building is well clean (n=380)	Most Important	217	57.1%	
	Very Important	127	33.4%	
	Important	34	8.9%	
	Slightly important	2	0.5%	Most Important
	Least important	0	0%	
	<i>Mean= 4.47</i> <i>Sd = 0.68</i>			
Wi-Fi high speed is provided for customers (n=380)	Most Important	223	58.7%	
	Very Important	135	35.5%	
	Important	22	5.8%	
	Slightly important	0	0%	Most Important
	Least important	0	0%	
	<i>Mean= 4.53</i> <i>Sd = 0.60</i>			
CCTV is available in every necessary point (n=380)	Most Important	100	26.3%	
	Very Important	215	56.6%	
	Important	65	17.1%	
	Slightly important	0	0%	Very Important
	Least important	0	0%	
	<i>Mean= 4.09</i> <i>Sd = 0.65</i>			
<b>Process</b>				
Staffs deliver service on time (n=380)	Most Important	157	41.3%	
	Very Important	172	45.3%	
	Important	51	13.4%	
	Slightly important	0	0%	Most Important
	Least important	0	0%	
	<i>Mean= 4.28</i> <i>Sd = 0.69</i>			

Table 4.2 Continue

<b>Factors</b>	<b>Importance</b>	<b>Frequency</b>	<b>Percent (%)</b>	<b>Level of Importance</b>
Staffs are available for customers when problem occur (n=380)	Slightly important	4	1.1%	
	Most Important	143	37.6%	
	Very Important	192	50.5%	
	Important	41	10.8%	Most Important
	Least important	0	0%	
	<i>Mean= 4.25</i>			
	<i>Sd = 0.68</i>			
Staffs always inform relevant news to occupant (n=380)	Least important	0	0%	
	Slightly important	4	1.1%	
	Important	48	12.6%	
	Very Important	191	50.3%	Most Important
	Most Important	137	36.1%	
	<i>Mean= 4.21</i>			
	<i>Sd = 0.70</i>			
<b>Psychology Factors</b>				
<i>Knowledge</i>				
You know the serviced apartment well (n=380)	Most Important	69	18.2%	
	Very Important	224	58.9%	
	Important	75	19.7%	
	Slightly important	12	3.2%	Very Important
	Least important	0	0%	
	<i>Mean= 3.92</i>			
	<i>Sd = 0.71</i>			
You know the staffs have good capability and high responsibility (n=380)	Most Important	98	25.8%	
	Very Important	222	58.4%	
	Important	51	13.4%	
	Slightly important	9	2.4%	Very Important
	Least important	0	0%	
	<i>Mean= 4.08</i>			
	<i>Sd = 0.69</i>			

Table 4.2 Continue

<b>Factors</b>	<b>Importance</b>	<b>Frequency</b>	<b>Percent (%)</b>	<b>Level of Importance</b>
<i>Belief</i>				
The serviced apartment's reputation is very important for you to select(n=380)	Most Important	145	38.2%	
	Very Important	153	40.3%	
	Important	69	18.2%	
	Slightly important	8	2.1%	Very Important
	Least important	5	1.3%	
	<i>Mean= 4.1184</i>			
	<i>Sd = 0.86</i>			
Good service delivery effects to your rental serviced apartment (n=380)	Most Important	99	26.1%	
	Very Important	219	57.6%	
	Important	53	13.9%	
	Slightly important	9	2.4%	Very Important
	Least important	0	0%	
	<i>Mean= 4.12</i>			
	<i>Sd = 0.87</i>			
Good security system effects to your rental serviced apartment (n=380)	Most Important	112	29.5%	
	Very Important	199	52.4%	
	Important	60	15.8%	
	Slightly important	9	2.4%	Very Important
	Least important	0	0%	
	<i>Mean= 4.07</i>			
	<i>Sd = 0.70</i>			
<i>Attitude</i>				
Searching the serviced apartments via the Internet to get better offer. (n=380)	Most Important	191	50.3%	
	Very Important	146	38.4%	
	Important	43	11.3%	
	Slightly important	0	0%	Most Important
	Least important	0	0%	
	<i>Mean= 4.39</i>			
	<i>Sd = 0.68</i>			

Table 4.2 Continue

<b>Factors</b>	<b>Importance</b>	<b>Frequency</b>	<b>Percent (%)</b>	<b>Level of Importance</b>
You would recommend the others to stay in this serviced apartment (n=380)	Most Important	204	53.7%	Most Important
	Very Important	149	39.2%	
	Important	27	7.1%	
	Slightly important	0	0%	
	Least important	0	0%	
<i>Mean = 4.47</i>				
<i>Sd = 0.63</i>				

#### **4.1.3 Objective 1: To Investigate the Perceptions and Behaviors of Customers Towards E-marketing**

As the result from Table 4.3, the respondents are mostly searching for a serviced apartment's room via internet 1-2 times per year (45.8%), followed by 1-5 times per year (24.2%) and more than 10 times per year (14.7%). Most of them use the Internet (60.8%) and follow by Telephone (39.2%). The respondent are mostly use online booking for the room rate 3,001-4,000 THB per night (24.5%), followed by 4,001- 5,000 THB per night (24.2%) and 1,001-2,000 THB per night (15.5%). Most of them use online booking 8-14 Days (31.1%), followed by 1-3 Months (26.3%) and 3-7 Days (17.6%) in advance.

Table 4.3 Frequency and Percentage of Consumers' Online Behavior

<b>Consumers' Online Behavior</b>		<b>Frequency</b>	<b>Percent (%)</b>
Frequency of searching via the Internet (n=380)	1 time per year	17	4.5%
	1-2 times per year	174	45.8%
	1-5 times per year	92	24.2%
	6-10 times per year	41	10.8%
	>10 times per year	56	14.7%

Table 4.3 Continue

Consumers' Online Behavior		Frequency	Percent (%)
The customers' preference of using telephone and internet (n=380)	Internet	231	60.8%
	Telephone	149	39.2%
Room cost when the customers book online (n=380)	Less than 1,000 THB per night	33	8.7%
	1,001-2,000 THB per night	59	15.5%
	2,001- 3,000 THB per night	17	4.5%
	3,001-4,000 THB per night	93	24.5%
	4,001-5,000 THB per night	92	24.2%
	5,001-8,000 THB per night	43	11.3%
	8,001-10,000 THB per night	38	10.0%
Booking advance (n=380)	More than 10,001 THB per night	5	1.3%
	0-2 Days	13	3.4%
	3-7 Days	42	11.1%
	8-14 Days	118	31.1%
	15-30 Days	67	17.6%
	1-3 Months	100	26.3%
	3-6 Months	20	5.3%
More than 6 months	20	5.3%	

As the result from Table 4.4, for benefit of using the Internet, the researcher found all of the respondents highly consider EASY to access the information (mean = 4.16), CONVENIENT to access the information (mean = 4.11), ACCURATE information (mean = 4.04) and COMPLETE information (mean = 3.96).

Table 4.4 Frequency and Percent Mean of Benefit of Using the Internet

Reasons		Frequency	Percent (%)	Level of Important
EASY to access the information (n=380)	Most Important	150	39.5%	High
	Very Important	159	41.8%	
	Important	56	14.7%	
	Slightly important	15	3.9%	
	Least important	0	0%	
	<i>Mean= 4.16</i>			
<i>Sd = 0.82</i>				
CONVENIENT to access the information (n=380)	Most Important	141	37.1%	High
	Very Important	155	40.8%	
	Important	70	18.4%	
	Slightly important	14	3.7%	
	Least important	0	0%	
	<i>Mean= 4.11</i>			
<i>Sd = 0.83</i>				
ACCURATE information (n=380)	Most Important	126	33.2%	High
	Very Important	159	41.8%	
	Important	79	20.8%	
	Slightly important	16	4.2%	
	Least important	0	0%	
	<i>Mean= 4.04</i>			
<i>Sd = 0.84</i>				
COMPLETE information (n=380)	Most Important	107	28.2%	High
	Very Important	170	44.7%	
	Important	84	22.1%	
	Slightly important	0	0%	
	Least important	0	0%	
	<i>Mean= 3.96</i>			
<i>Sd = 0.83</i>				

From Table 4.5, most of the respondents personally recognize the advantages of using the Internet for searching serviced apartments' information is Easy to reach more information (33.2%), followed by Convenient to compare room's price (32.9%) and Save transportation cost and time (17.4%).

Table 4.5 Frequency and Percent of the Advantages of Using the Internet for Searching Serviced Apartments' Information is Available on the Internet

<b>Advantages (n=380)</b>	<b>Frequency</b>	<b>Percent (%)</b>
Easy to reach more information	126	33.2%
Convenient to compare room's price	125	32.9%
Immediately reserve the room	35	9.2%
Save transportation cost and time	66	17.4%
Not really useful	28	7.4%

#### **4.1.4 Objective 2: To Determine the Importance of E-marketing on Serviced Apartment Searching Process of Different Consumer Demographic Groups**

A chi-square test was conducted to test the frequency of serviced apartment searching of different consumer demographic groups based on age groups, genders, nationality, education, occupation and monthly income in order to understand how often and difference each groups searching serviced apartment via the Internet.

As the result in Table 4.6, it showed the importance of E-marketing based on Age groups. There is positive relationship between Age and the Frequency of searching a Phuket serviced apartment's room via the Internet within significant at .01 level (sig = .000) below than 0.05. Based on the Age group, 100% of the respondents that were less than 25 years old used the Internet for searching serviced apartment's room and 64% of the age between 25-30 years old respondents tend to search via the Internet about 1-2 times per year. On the other hand, 80.9% of 46-60 years-old respondents searched via the Internet about 6-10 times a year, 74.4% of respondents age between 31-45 years old searched via the Internet about 1-5 times per year and 47.2% of the respondents age more than 60 years old searched via the Internet more than 10 times a year.

Table 4.6 Pearson Chi-square Test of the Importance of E-marketing Base on Age Group

Question	Frequency	Age Group					Chi-Square
		Under 25 years	25-30 years	31-45 years	46-60 years	60+ years	
How many times have you searched for a serviced apartment's room via the Internet in Phuket?	1/yr	0%	4.4%	7.8%	0%	13.9%	Pearson Chi-Square = 556.881 P = .000 d.f. = 16
	1-2/yr	100%	64.2%	4.4%	2.1%	13.9%	
	1-5/yr	0%	10.0%	74.4%	8.5%	25.0%	
	6-10/yr	0%	2.5%	0%	80.9%	0%	
	>10/yr	0%	19.2%	13.3%	8.5%	47.2%	

To find the relationship between Gender and the Frequency of Phuket serviced apartment's room searching via the Internet. The researcher found that there is no significant relationship between Gender and Frequency of searching a Phuket serviced apartment's room via the Internet. As shown in the table 4.7, it found that 47.3% of FEMALE respondents prefer to search the information by using the Internet and most of them access to the information 1-2 times per year. However, 45.3% of MALE respondents have the same frequency in searching information via the Internet.

Table 4.7 Pearson Chi-square Test of the Importance of E-marketing Base on Gender

Question	Frequency	Gender		Chi-Square
		Female	Male	
How many times have you searched for a serviced apartment's room via the Internet in Phuket?	1/yr	3.3%	4.8%	Pearson Chi-Square = .827 P = .935 d.f. = 4
	1-2/yr	47.3%	45.3%	
	1-5/yr	23.1%	24.6%	
	6-10/yr	9.9%	11.1%	
	>10/yr	16.5%	14.2%	

To find the relationship between Nationality and the Frequency of Phuket serviced apartment's room searching via the Internet. As shown in table 4.8, it found that there is positive relationship between Nationality and the Frequency of searching a Phuket serviced apartment's room via the Internet within significant at .01 level (sig = .000) below than 0.05. Based on the

Nationality, most of the respondents are OTHERS (49.6%) who searched information about Phuket serviced apartment's room 1-2 times per year and for THAI respondents (40.3%) searched information about Phuket serviced apartment's room 1-2 times per year.

Table 4.8 Pearson Chi-square Test of the Importance of E-marketing Base on Nationality

Question	Frequency	Nationality		Chi-Square
		Others	Thai	
How many times have you searched for a serviced apartment's room via the Internet in Phuket?	1/yr	4.0%	5.2%	Pearson Chi-Square = 24.784 P = .000 d.f. = 4
	1-2/yr	49.6%	40.3%	
	1-5/yr	27.0%	20.1%	
	6-10/yr	4.4%	20.1%	
	>10/yr	15.0%	14.3%	

To find the relationship between Education level and the Frequency of Phuket serviced apartment's room searching via the Internet. As shown in table 4.9, it found that there is positive relationship between Education level and the Frequency of searching a Phuket serviced apartment's room via the Internet within significant at .01 level (sig = .000). MASTER DEGREE respondent's education is more likely to search the information via the Internet (93.3%) 1-5 times per year comparing to their counterpart. While BACHELOR DEGREE respondent's education is more often search the information via the Internet 1-2 times per year compare to the others.

Table 4.9 Pearson Chi-square Test of the Importance of E-marketing Base on Education Level

Question	Frequency	Education Level					Chi-Square
		High School or lower	Diploma	Bachelor Degree	Master Degree	Ph.D	
How many times have you searched for a serviced apartment's room via the Internet in Phuket?	1/yr	0%	3.7%	0%	3.3%	11.6%	Pearson Chi-Square = 315.592 P = .000 d.f. = 16
	1-2/yr	0%	58.2%	75.0%	0%	9.5%	
	1-5/yr	0%	11.9%	0%	93.3%	50.5%	
	6-10/yr	100.0%	6.0%	24.1%	0%	0%	
	>10/yr	0%	20.1%	0.9%	3.3%	28.4%	

To find the relationship between Occupation and the Frequency of Phuket serviced apartment's room searching via the Internet. As shown in table 4.10, it found that there is positive relationship between Occupation and the Frequency of searching a Phuket serviced apartment's room via the Internet within significant at .01 level (sig = .000). EMPLOYEE is more likely search the information more than 10 times per year. However, most of the respondents search the information 1-2 times per year.

Table 4.10 Pearson Chi-square Test of the Importance of E-marketing Base on Occupation

Question	Frequency	Occupation						Chi-Square
		Self Employed/Entrepreneu	Employee	Government	Students	Retired	Professionals (e.g. lawyers, doctors)	
How many times have you searched for a serviced apartment's room via the Internet in Phuket?	1/yr	1.0%	2.5%	8.7%	2.7%	10.0%	11.8%	Pearson Chi-Square = 130.237 P = .000 d.f. = 20
	1-2/yr	90.1%	35.3%	32.6%	27.0%	23.3%	11.8%	
	1-5/yr	4.0%	31.9%	21.7%	37.8%	33.3%	35.3%	
	6-10/yr	0%	11.8%	19.6%	10.8%	20.0%	11.8%	
	>10/yr	5.0%	18.5%	17.4%	21.6%	13.3%	29.4%	

To find the relationship between Monthly income and the Frequency of Phuket serviced apartment's room searching via the Internet. As shown in table 4.11, it found that there is positive relationship between Monthly income and the Frequency of searching a Phuket serviced apartment's room via the Internet within significant at .01 level (sig = .000). The respondents who have income 10,001-25,000 THB search information via the Internet 6-10 time per year.

Table 4.11 Pearson Chi-square Test of the Importance of E-marketing Base on Monthly Income

Question	Frequency	Monthly Income							Chi-Square
		<10,000 THB	10,001-25,000 THB	25,001-50,000 THB	50,001-75,000 THB	75,001-100,000 THB	100,000-120,000 THB	>120,001 THB	
How many times have you searched for a serviced apartment's room via the Internet in Phuket?	1/yr	0%	2.1%	0%	6.1%	7.8%	20.0%	0%	Pearson Chi-Square= 236.801 P = .000 d.f. = 20
	1-2/yr	0%	18.6%	90.6%	31.8%	32.5%	40.0%	44.4%	
	1-5/yr	0%	24.7%	4.7%	39.4%	37.7%	24.0%	22.2%	
	6-10/yr	0%	40.2%	0%	0%	1.3%	0%	11.1%	
	>10/yr	0%	14.4%	4.7%	22.7%	20.8%	6.0%	22.2%	

#### 4.1.5 Objective 3: To Identify the Significant of 7P's Marketing and Psychological Factor effect to searching the Information of Serviced Apartment.

From Table 4.12 the relationship between 7Ps Marketing and Searching the information of serviced apartment were investigated using Spearman method. In order to consider the relationship, the table was divided into seven of 7Ps marketing.

There is positive relationship of PRODUCT with the frequency of searching a Phuket serviced apartment's room via the Internet at level .01 (sig = .000). The correlation equal .0621 meaning Product has very high relationship with searching a Phuket serviced apartment's room via the Internet. The more score of Product, the more searching the serviced apartment's room via the Internet. On the contrary, the less score of Product, the less searching the serviced apartment's room via the Internet.

There is no significant relationship of PRICE with the frequency of searching the serviced apartment's room via the Internet.

There is no significant relationship of PLACE with the frequency of searching the serviced apartment's room via the Internet.

There is positive relationship of PROMOTION with the frequency of searching the serviced apartment's room via the Internet at level 0.1 (sig = .000). The correlation equal .823,

which mean Promotion has very high relationship with searching the serviced apartment's room via the Internet. The more score of Promotion, the more searching the serviced apartment's room via the Internet is increased. In another side, the less score of Promotion, the less searching the serviced apartment's room via the Internet.

There is positive relationship of PEOPLE with the frequency of searching the serviced apartment's room via the Internet at level .01 (sig = .007). The correlation equal .139 meaning People have medium relationship with searching the serviced apartment's room via the Internet. The more score of People, the more searching the serviced apartment's room via the Internet is increased. In another side, the less score of People, the less searching a serviced apartment's room via Internet in Phuket.

There is no significant relationship of PHYSICAL EVIDENCE with the frequency of searching the serviced apartment's room via the Internet.

There is no significant relationship of PROCESS with the frequency of searching the serviced apartment's room via the Internet.

The typical reason of the customers' searching is they expect to know more information about serviced apartment (PRODUCT) such as the room type, room rate, location, contact detail and accommodation pictures. In addition, they believe to get the PROMOTION or special offer when they search and book the serviced apartments via the Internet. The customers also concerned with the serviced apartments' staff (PEOPLE) in terms of their assistance and performance.

Table 4.12 Pearson Correlation between 7P's Marketing and Searching the Information of Serviced Apartment

Searching for the Serviced Apartment Information.		7Ps Marketing						
		Product	Price	Place	Promotion	People	Physical Evidence	Process
How many times have you searched for a serviced apartment's room via Internet in Phuket?	Correlation Coefficient	.621*	.021	.087	.823**	.13	.071	.061
	Sig. (2-tailed)	.000	.690	.092	.000	.00	.165	.235
	N	380	380	380	380	380	380	380

\*significant level .05, \*\*significant level .01

From Table 4.13 the relationship between Psychological factors and Searching the information of serviced apartment were investigated using Spearman method. In order to consider the relationship, the table was divided into four, which are Knowledge, Belief and Attitude.

There is no significant relationship of KNOWLEDGE with the frequency of searching the Phuket serviced apartment's room via Internet.

There is no significant relationship of BELIEF with the frequency of searching Phuket serviced apartment's room via Internet.

There is positive relationship of ATTITUDE with the frequency of searching Phuket serviced apartment's room via Internet at level .01 (sig = .000). The correlation equal 0.760 meaning Attitude has strong relationship with searching the serviced apartment's room via Internet. The more score of Attitude, the more searching the serviced apartment's room via Internet is increased. In another side, the less score of Attitude, the less searching the serviced apartment's room via Internet is increased.

The typical reason of the customers' searching serviced apartment via the Internet is they expect to get better offer.

Table 4.13 Pearson Correlation between Psychological Factors and Searching the Information of Serviced Apartment

Searching for the Serviced Apartment Information		Psychological Factors		
		Knowledge	Belief	Attitude
How many times have you searched for a serviced apartment's room via Internet in Phuket?	Correlation	-.068	.067	.760
	Coefficient			
	Sig. (2-tailed)	.186	.195	.000
	N	380	380	380

\*significant level .05 , \*\*significant level .01

## 4.2 Qualitative Results

To identify the importance of E-marketing to owner of serviced apartment and the way they use the E-marketing for their marketing communications, the researcher conducted in-depth interview with 12 serviced apartments in Phuket. The analysis of qualitative data, which was derived from interviews with Owner, General Manager and Hotel Manager of serviced apartment in Phuket, is presented below.

### 4.2.1 Serviced Apartments' Survey

*Serviced Apartments' Marketing Practices and the Marketing Channels, which Essentially Generate the Serviced Apartment Revenue*

The serviced apartments were asked about their marketing practices. Most of the serviced apartments promote their accommodations via word-of-mouth (WOM), leaflets, newspapers (online and in print), magazines, sign contact, billboard, travel agents, website, Facebook, online travel agent (OTA) and Google adword. All serviced apartment use online travel agent such asExpedia.com, Booking.com, Thomas Cook.com, Agoda.com, Asiaroom.com, Hoteltravel.com, Triadvisor.com and Sawasdee.com. Even the social media such as Facebook is widely used, most of the serviced apartments are rarely provide their information and conduct sale on the social media. *"We have tried Facebook ads before and had a few responses, but not enough to be worth the cost,"* said the General Manager from one of luxury-serviced apartments (Personal communication, September20<sup>th</sup> 2013). In the contrary, *"We try to update regularly about the marketing events because it's very important to create the positive image by keep updating but not too much. We also realize the potential of Facebook in term of effectively*

*conducting direct sale. The strategy is to provide quick answer (live chat) to the prospects who are interested to know more information about the accommodations,”* said the General Manager from one of the serviced apartments (Personal communication, September 13<sup>th</sup> 2013).

The marketing channels, which essentially generate the serviced apartment revenue, are WOM, their own websites and online travel agent. *“Both of online agency and website are the number one revenue generating for the serviced apartment. In high season, most of the customers come from North of Europe through Thomas Cook.com and Expedia.com. In low season, we rely on lots of walk-in and WOM,”* said the General Manager from one of the luxury serviced apartments (Personal communication, September 12<sup>th</sup> 2013). In addition, *“First of all, most customers come from OTA and then we try to turn them being returned guests by walk-in next time. The reason is to control the commission cost which the OTA requires,”* said the General Manager from one of the serviced apartments (Personal communication, September 13<sup>th</sup> 2013). Furthermore, *“In our opinion, we think that PR activity is important for SMEs when the business just start-up, but WOM will be much more significant after the business opened for more than 2-3 years,”* said the General Manager from one of the serviced apartments (Personal communication, September 12<sup>th</sup> 2013).

#### *The Practice of Online Marketing*

The main reasons that the serviced apartments practice online marketing are mostly to promote and drive more traffic to their serviced apartments. The majority of the serviced apartments stated that they used online marketing to provide PR and enhance more traffic to their serviced apartments. One of the serviced apartment’s General Managers said, *“We conduct E-marketing in order to promote our serviced apartment’s name to appear worldwide and provide the information of the serviced apartment more clearly such as map, room picture, room size and contact.”* (Personal communication, September 12<sup>th</sup> 2013). In the contrary, one of the serviced apartment’s General Managers said, *“The purpose of using online marketing is to conduct the direct sale and also updating the news and activities (via Facebook),”* (Personal communication, September 13<sup>th</sup> 2013). Furthermore, one of the serviced apartment’s General Managers said, *“We would say all of reasons (to compete with competitors, to build images, to promote and to drive more traffic) – the Internet is becoming more important for people in finding accommodation, so we need to have a presence online. So far we just have the website, but probably in future, we’ll*

*look more to promoting our apartments on social media sites like Facebook, Tripadvisor, etc.”* (Personal communication, September 20<sup>th</sup> 2013). On the other hand, one of serviced apartment General Manager argued that E-marketing is not the best way to practice and it is not easy to promote the accommodation via the Internet because there are many competitors provide the information online. The customers can easily reserve online and cancel the booking, which cause the management problem for the serviced apartment.

#### *The Use of Online Marketing*

Most of the serviced apartments not often update their online marketing channel such as website and social media. Some of them see the potential to update the online marketing channel, but they cannot do. One of the serviced apartments’ General Manager stated that it is hard to find any staff who is fluent in English because most of their guests are foreigners. Miscommunication can cause the low occupancy rate for the serviced apartment. In additional, one of the serviced apartments’ owner mentioned, *“For website, we didn’t update for long time. Right now, we are repainting and renovating interior and exterior. After finished, we plan to hire photographer to take photo in order to updating on our website,”* (Personal communication, September 28<sup>th</sup> 2013). On the contrary, one of the serviced apartments regularly updated the E-marketing channel. They update their website every 2 years in term of its style or template, which is on developing process. It is important to make the website always looks in-trends. For the promotion, its frequency updating depends on the occupancy rate. If they has high booking rate, they can decrease the room rate as the promotion for the customers.

#### *E-marketing Engagement of the Serviced Apartments*

Most of serviced apartments in Phuket engage with online marketing for enhancing PR activity rather than respond to their guest’s comments. One of serviced apartments’ General Manager mentioned, *“Conducting PR activities via online marketing will work very well with WOM because it is very effectiveness marketing in our opinion,”* (Personal communication, September 12<sup>th</sup> 2013). In the contrary, one of serviced apartments’ General Manager focuses to increase sale via online marketing. In the future, they plan to enhance PR activities more and its style will depend on the characteristics of each accommodation styles. Several serviced apartments’ owners stated that they conduct online marketing to respond with their customers’ comment as well. The majority of the serviced apartments respond to all the negative comments

by apologizing and investigating the problem. If it occurs by accident, they will explain and resolve the matter. One of serviced apartments' General Manager mentioned, *"For the negative comments, first of all we would apologize the customers even our staff is right or wrong, then we will investigate that is truth or not. Finally, we will put it right if it is true. In our view, both of good and bad comments are very significant for our new customers because we cannot satisfy all kinds of the customers and promote our negative side. So, viewing the comments before making the decision can let them know us very well and some of them who decide to stay with us can accept what we are,"* (Personal communication, September 13<sup>th</sup> 2013). On the other hand, some of the serviced apartments will not reply the negative comments because it looks like argument. One of the serviced apartments' General Managers stated, *"We sometime tracks commend on the internet and mostly learn from the guests who are recently stays with us. We always solve the problems after we got the negative commend and let the recent guests see what we tries the best, and then they will commend on the internet in the positive way. The result is our serviced apartment is gaining more positive commend than the negative one,"* (Personal communication, September 12<sup>th</sup> 2013). In addition, one of serviced apartments mentioned that as the OTA lets the customers leave some comment on their site and then they collects their comments as a report allowing the serviced apartments' owner to see. They can use their privacy username and password locking in to check the report. The negative report is very helpful for the serviced apartments and hotels because they can know how their staff attentive to the customers and what happened while they stayed. This is what the customers tell you to improve the products and services, so the bad report is not always the bad things, but it can be the positive things. Serviced apartments' owner can turn the negative comment to the positive or put it right. They usually do not reply the customers' comment on the internet whether a good or bad comment because it tends to be an argument. It is better to leave it and use that bad comment to do the advantages.

#### *Team Responsible for E-marketing Promotions at the Serviced Apartments*

Based on the interview conducted, most of interviewees hire a consultant outsourced to create the website. Most of them assign their staff such as Sale Representative to take care of website and Facebook in terms of updating the content and replying the comments while some of the serviced apartment leaves it to higher levels of management to response such as General Manager, Front Office Manager and owner in order to have enhanced control. One of serviced

apartments' owners mentioned, *"We handle all the online stuff, both in setting up and servicing the website, placing classified ads, and in correspondence with potential guests by email. Our Thai staff has sufficient English skills to talk to guests in person but their language skills are not quite good enough to be able to create content or contact guests in writing. For us since most of our guests are foreign nationals, it is better to display everything in a professional level of English,"* (Personal communication, August 20<sup>th</sup> 2013). For the promotional update, most of the serviced apartments in Phuket allow the OTA to come up with special promotion for them to join.

#### *Importance of E-marketing Strategy for the Serviced Apartment*

Many of serviced apartments in Phuket consider E-marketing as the significant channel to communicate and interact with their prospects all over the world because people connect the Internet via their devices such as smartphone and laptop a lot easier than in the past to search for accommodation to stay while they are planning their vacation. One serviced apartment stated that most of people who are travelling influenced by E-marketing. For example, their guests booked a room of their apartment via an online agent and once the guests wanted to extend the booking, they contacted the online agent instead of coming down to tell receptionist. The situation indicated that people obviously become use the internet. Serviced apartments also use the online marketing as one of their essential strategy. One of serviced apartments' General Managers mentioned, *"We plan to conduct the online marketing one year in advance by setting the goal of revenue and way how to achieve the goals to our staffs. This is the teamwork, which means we plan and do together."*(personal communication, September 13<sup>th</sup> 2013). On the other hand, some of the serviced apartments stated that online marketing is one of their strategies, but it is not 100% important for them because they see WOM has more powerful to increase royalty guests in the future. One of the serviced apartments' owners mentioned, *" We think E-marketing is very necessary for accommodation who just open to the market but for our serviced apartment which has been long time in the market, the E-marketing is necessary but not 100%."*(Personal communication, September 29<sup>th</sup> 2013).

#### *Measuring E-marketing Effectiveness by Serviced Apartments*

For strategy measurement, most of them use annual income, monthly report and number of guest to measure the effectiveness of online marketing. One of serviced apartments' owners mentioned, *" We use record of mail, booking and tracking system of Google Adword for*

*strategy measurement. We can understand how the guests think about our accommodation by communication via e-mail and know where they come from by looking the booking record and Google Adword,” (Personal communication, October 4<sup>th</sup> 2013).*

## CHAPTER 5

### CONCLUSION AND SUGGESTIONS

This chapter is designed to conclude and analyze the finding based on the research objectives. The researcher also gives recommendations to serviced apartment in Phuket in term of marketing strategy, especially online marketing. The research objectives are as follows:

1. To investigate the perceptions and behaviors of customers towards E-marketing
2. To determine the importance of E-marketing on serviced apartment searching process of different consumer demographic groups.
3. To identify the significance of 7Ps marketing and psychological factors effect to searching information of serviced apartment.
4. To identify the importance of E-marketing to owner of serviced apartment and how they use the E-marketing for their marketing communications.

This study is concerned with the perspective of serviced apartment customers and owners, so the mixed method approach (quantitative and qualitative) was used. The primary data were collected by the use of questionnaires distributed online and offline to two groups of customers who experienced and currently staying in serviced apartment in Phuket. The survey returned completely 380 valid questionnaires through purposive and convenience sampling in which the survey was distributed to current serviced apartment customers in Phuket and posted online such as Facebook, Tripadvisor, and Flyertalk.com. In addition, in-depth interviews were conducted with the Owner, General Manager and Hotel Manager of 12 serviced apartments in Phuket.

The collected data from the questionnaires was analyzed by computer program in terms of Descriptive statistics, Chi-Square Test and Pearson Correlation. Content analysis was engaged for qualitative data analysis.

## **5.1 Summary of the main findings**

### **5.1.1 Consumers' Perspective**

According to 380 valid returned questionnaires, most of respondents were between 25-30 years followed by 31-45 years' categories. The majority of the nationalities of respondents are Other such as British, European, American and Asian (59.5%). The educations of respondents are mostly Diploma (30.5%) and followed by Bachelor Degree (30.5%). The lowest numbers of respondents are High School or lower (5%). Most of the respondents' occupations are Employee (31.3%) and the second order is Self Employed/ Entrepreneur (26.6%) and Retired (15.8%). The incomes of respondents are mostly 25,001-50,000 THB (27.9%) and followed by income of 10,001-25,000 THB (25.5%).

Based on the survey results, Product, Price, Place, Promotion, People, Physical Evidence, Process, and Psychological (Attitude) are very highly considered by most of the respondents. Product and Physical Evidence are the number one factors that they used for consideration in serviced apartment selection. Most of them highly consider serviced apartment's room decoration, nice furniture, good quality of facilities, cleanliness of internal and external building and Wi-Fi high speed providing. The second factors are Attitude to the accommodation and the Promotion are also high important for the most respondents. They prefer to consider online marketing communication and discount promotion. The third factors are Location and People. They prefer to stay in the serviced apartment which is close to the community, easy to access, have good environment and friendly staff. This showed that when the customers who are looking for a room of serviced apartment in Phuket, most of them will consider the serviced apartment's room and its cleanliness with Wi-Fi Internet accessible. They also expect to get price promotion from the serviced apartment providers via the Internet. In addition, the good location and nice staff also influence their serviced apartment selection.

Descriptive statistics was conducted, and it was found that most of respondents use the Internet for serviced apartment's room searching. They are mostly searching for the room via internet 1-2 times per year (45.8%), followed by 1-5 times per year (24.2%). The respondent are mostly use online booking for the room rate 3,001-4,000 THB per night (24.5%), followed by 4,001- 5,000 THB per night (24.2%). Most of them use online booking 8-14 Days (31.1%), followed by 1-3 Months (26.3%) in advance. For the benefit of using the Internet, the researcher

found all of the respondents highly consider EASY and CONVENIENT to access the information. The ACCURATE and COMPLETE information are also influence them to use the Internet for searching the serviced apartment in Phuket. Most of the respondents personally recognize the advantages of using the Internet for searching serviced apartments' information is Easy to reach more information, followed by Convenient to compare room's price and Save transportation cost and time.

A chi-square test was conducted to test the important of E-marketing on serviced apartment searching process of different consumer demographic groups based on age groups, genders, nationality, education, occupation and monthly income.

The Frequency of searching a Phuket service apartment's room via the Internet between different age groups is significantly different. 100% of the respondents that are less than 25 years and 64% of the age between 25-30 years respondents tend to search the serviced apartment via the Internet about 1-2 times per year while the respondents who are more than 31 years tend to use the Internet more frequently.

On the other hand, there is no significant relationship between Gender and Frequency of searching a Phuket serviced apartment's room via the Internet. Both of FEMALE and MALE respondents mostly access to the information 1-2 times per year.

In terms of Nationalities, there is significant relationship between Nationality and the Frequency of searching a Phuket serviced apartment's room via the Internet. Most of the respondents are OTHERS (49.6%) or foreigners who searched information about Phuket serviced apartment's room 1-2 times per year.

In addition, there is significant different relationship between Education level and the Frequency of searching a Phuket serviced apartment's room via the Internet. The respondents with MASTER DEGREE are more likely to search the information via the Internet 1-5 times per year comparing to their counterpart. While the respondents with BACHELOR DEGREE are more often search the information via the Internet 1-2 times per year compare to the others.

In terms of the Occupations, there is a significant different relationship between Occupation and the Frequency of searching a Phuket serviced apartment's room via the Internet. EMPLOYEE is more likely search the information more than 10 times per year. However, most of the respondents search the information 1-2 times per year.

Lastly, there is significant different relationship between Monthly income and the Frequency of searching a Phuket serviced apartment's room via the Internet. 40.2% of the respondents who have income 10,001-25,000 THB search information via the Internet 6-10 time per year. And 39.4% of the respondents who have income 50,001-75,000 THB search information via the Internet 1-5 time per year.

Pearson correlation was conducted to test the relationship between 7Ps Marketing and Searching the information of serviced apartment. The result found there is significant different relationship of PRODUCT, PROMOTION and PEOPLE with the frequency of searching a Phuket serviced apartment's room via the Internet. On the contrary, there is no significant different relationship of PRICE, PLACE, PHYSICAL EVIDENCE and PROCESS with the frequency of searching the serviced apartment's room via the Internet.

Pearson correlation was conducted to test the relationship between Psychological Factors and Searching the Information of Serviced Apartment. The result found there is significant relationship of ATTITUDE with the frequency of searching Phuket serviced apartment's room via Internet. On the other hand, there is no significant different relationship of KNOWLEDGE and BELIEF with the frequency of searching the Phuket serviced apartment's room via Internet.

### **5.1.2 Serviced Apartment's Perspective**

Recently, the serviced apartments promote their accommodations with many different ways such as word-of-mouth (WOM) of previous visitors, leaflets, newspapers (online and in print), magazines, sign contact, billboard, travel agents, website, Facebook, online travel agent (OTA) and Google adword. Most of them are highly concerned with WOM, website and OTA such as Expedia.com, Booking.com, Thomas Cook.com, Agoda.com, Asiaroom.com, Hoteltravel.com, Triadvisor.com and Sawasdee.com. These marketing channels essentially generate the revenue for them. Although it is difficult to measure online marketing effectiveness, the researcher found that most of serviced apartments use annual income, monthly report and number of guest to measure its effectiveness. For Social media, even it widely used as a marketing communication tool in many businesses, especially in hospitality and tourism industry, the serviced apartments are rarely provide their information and conduct sale on it. There are several obstacles of engaging social media in serviced apartment. Firstly, they are lack of employees who are good in English communication to take response on the Facebook because

most of their customers are foreigners. Another obstacle, as they are SMEs with limited number of rooms, they found it unworthy to purchase the Facebook Ads for promoting their accommodations. On the contrary, some serviced apartment commented that they use Facebook as a free marketing channel to communicate with their existing and new target segmentation.

The main reasons that the serviced apartments practice online marketing channel are mostly to promote and drive more traffic to their accommodations. The majority of the serviced apartments stated that they used online marketing to provide PR and enhance more traffic to their serviced apartments. Some of them comment that they use the online marketing channel to conduct direct sale and update their news and activities. On the other hand, one of serviced apartment stated that online marketing channel is not the best way to practice and it is not easy to promote the accommodation via the Internet because there are many competitors provide the information online.

Most of serviced apartments engage with online marketing for enhancing PR activity rather than respond to their guest's comments. Many of serviced apartments in Phuket consider E-marketing as the significant channel to communicate and interact with their prospects all over the world. Some of them commented that conducting PR activities on the Internet will be more efficiently with the power of WOM. The majority of the serviced apartments respond to all the negative comments by apologizing and investigating the problem. On the other hand, some of the serviced apartments will not reply the negative comments because it looks like argument. In addition, one of serviced apartments mentioned that they use the comment report from OTA to identify their successful. The negative report is very helpful for the serviced apartments in terms of realizing the staff attentive to the customers and any other mistakes. Serviced apartments' owner can turn the negative comment to the positive or put it right.

Most of serviced apartments hire outsource IT consultant to provide the website for them. For the updating website's information, map, price and photo, most of them assign their staff such as Sale Representative to take care of website and social media while some of the serviced apartment leaves it to higher levels of management to response. For the promotional update, most of the serviced apartments in Phuket allow the OTA to come up with special promotion for them to join.

## 5.2 Discussion

In this part, the researcher discusses online marketing communications in the perspectives of customers based on the primary data completely collected from 380 surveys, the perspectives of 12 serviced apartment's owners and the secondary data gathered from related articles, previous research, books, journal papers and websites which were used in the study.

### 5.2.1 Objective 1: To Investigate the Perceptions and Behaviors of Customers towards E-marketing

**Consumers' Online Behavior:** The questionnaire results indicated that the majority of the respondents prefer to use the Internet rather than telephone for booking a serviced apartment room in Phuket. Most of them search for the serviced apartment's information about 1-2 times per year and followed by 1-5 times per year. There are 24.5% of the respondent mostly use online booking for the room rate 3,001-4,000 THB per night, followed by 24.2% of them use online booking for the room rate 4,001- 5,000 THB per night. In addition, there are 31.1% of the respondents use online booking 8-14 Days in advance and followed by 26.3% of them use online booking 1-3 Months in advance.

**Benefit of Using the Internet:** Most of the respondents see the benefit of using the Internet for searching the serviced apartment's information as mostly easy and convenient to access to the information. In addition, they highly consider accurate and complete information.

**Advantages of Using the Internet for Searching Serviced Apartments' Information:** 33.2% of the respondents use the Internet for searching the information of serviced apartment because it is easy to reach more information, followed by 32.9% of them being convenient to compare the room's price and 17.4 of them save the transportation cost and time.

The result is similar to the study of Devaraj et al. (2003) who mentioned that time, ease and effort are also the factors affecting online purchase decision. This supported by Constantinides (2004), Wolfenbarger and Gilly (2001) and Szymanski and Hise (2000) that the ease of Internet using includes saving time, site design, site navigation, site speed, ordering and payment process, accessibility and search facilities. This study found that customers of serviced apartments in Phuket prefer to use the Internet rather than telephone for searching or asking more information about the accommodation. They expect to easily and conveniently access the

information and see the accurate and complete information. From the qualitative results, the available serviced apartment information on the Internet can increase the opportunity for many serviced apartments to reach their worldwide customers. The result is similar to the study of Sheth et al., 2000, Sharma and Jagdish, 2004 who mentioned that E-marketing also provides platforms for customer and producer or provider to interact directly, this forming direct relationship at lower cost. Watson et al., 2002 supported that the main benefits are reduction of marketing and communication cost and wider reach. The cost of online marketing is lesser than other marketing platform.

### **5.2.2 Objective 2: To Determine the Importance of E-marketing on Serviced Apartment Searching Process of Different Consumer Demographic Groups**

There are six majors distinguished demographic groups in this study; age groups, genders, nationality, education, occupation and monthly income. The majority of the survey's respondents is between 25 to 30 years and followed by 31-45 years. More than one third of the respondents are male. Most of the nationalities of respondents are not Thai such as British, European, American and Asian. The educations of respondents are mostly Diploma and followed by Bachelor Degree. Most of the respondents' occupations are Employee and the second order is Self Employed/ Entrepreneur. The incomes of respondents are mostly 25,001-50,000 THB and followed by income of 10,001-25,000 THB.

Importance of E-marketing: Online marketing is significant for the customers on their serviced apartment searching process; age group, nationality, education level and occupation distinguish customer behavior.

**Age Group:** In different age groups, 100% of the respondents that are less than 25 years and 64% of the age between 25-30 years respondents tend to search the serviced apartment via the Internet about 1-2 times per year while the respondents who are more than 31 years tend to use the Internet more frequently.

**Nationality:** 49.6% of foreigners such as British, European, American and Asian tend to search information via the Internet about Phuket serviced apartment's room 1-2 times per year and 27% of them tend to search information via the Internet about Phuket serviced apartment's room 1-5 times per year. In addition, 15% of them tend to search information via the Internet about Phuket serviced apartment's room more than 10 times per year. For 40.3% of Thai

respondents tend to search information about Phuket serviced apartment's room 1-2 times per year and 20% of them tend to search information via the Internet about Phuket serviced apartment's room 1-5 times per year. In addition, 14.3% of them tend to search information via the Internet about Phuket serviced apartment's room more than 10 times per year.

**Education level:** The respondents with Master Degree are more likely to search the information via the Internet 1-5 times per year comparing to their counterpart. While the respondents with Bachelor Degree are more of ten search the information via the Internet 1-2 times per year compare to the others.

**Occupations:** 21.6% of students and 18.5% of Employee are more likely search the information more than 10 times per year. However, most of the respondents search the information 1-2 times per year.

**Monthly Income:** 40.2% of the respondents who have income 10,001-25,000 THB search information via the Internet 6-10 time per year. And 39.4% of the respondents who have income 50,001-75,000 THB search information via the Internet 1-5 time per year.

Similar to the study of Padraig B. (2004), it was found that the personal factors are the consumers' own set of individual characteristics which could influence purchasing behavior. Individuals' occupation could directly influence the consumer behavior. Chan and Wong (2005) established that different age levels have important effect on accommodation chosen factors. Lawan A. Lawan and Ramat Zanna (2013) stated that the economic aspect is the most important factor to the consumer who has low social value product and service of the consumption. In addition, Runyon & Stewart (1987) supported that the education level also relates to the levels of income. Individuals with greater income and education levels tended to search for more information about products and serviced. This study found that online marketing is significant for the customers on their serviced apartment searching process; customer behavior is distinguished. The customers who are more than 31 years old tend to use the Internet for searching the serviced apartment in Phuket. Others (foreigners) tend to search information via the Internet about Phuket serviced apartment's room more than Thai customers. In addition, the customers who graduated Master Degree tend to search the serviced apartment's information before their booking. Furthermore, students and employee are more frequently search the serviced apartment's information.

### **5.2.3 Objective 3: To Identify the Significant of 7P's Marketing and Psychological Factor effect to searching the Information of Serviced Apartment.**

There are two major distinguished factors, which are 7Ps Marketing, and Psychological factors. The result found that the Product, Promotion, People and Attitude effect to frequency of searching a Phuket serviced apartment's room via the Internet. On the contrary, the Price, Place, Physical Evidence, Process, Knowledge and Belief not effect to the frequency of searching the serviced apartment's room via the Internet.

Similar to the study of Adams (2001) supported that creating information on the websites is another important source for both of business and leisure visitors in the hospitality industry. Choi & Chu (2001) stated that staff service is one of the most essential factors to create the customers' satisfaction levels in order to return to the same accommodations. This is similar to the serviced apartment's perspective that selecting the right staff to take responsible on the online marketing channel is very important because correct communication with the good English language can increase the room occupancy of the serviced apartments.

### **5.2.4 Objective 4: To Identify the Importance of E-marketing to Owner of Serviced Apartment and the Way They Use the E-marketing for Their Marketing Communications**

*Serviced Apartments' Marketing Practices and the Marketing Channels, which Essentially Generate the Serviced Apartment Revenue:*

The serviced apartments were asked on how they promote their accommodations. The researcher found that most of the serviced apartments in Phuket practice website and OTA such as Expedia.com, Booking.com, Thomas Cook.com, Agoda.com, Asiaroom.com, Hoteltravel.com, Triadvisor.com and Sawasdee.com as their marketing communications. Even the Facebook is the most widely used in many businesses; the researcher found that most of serviced apartments rarely use this channel to communicate with their customers. On the other hand, one serviced apartment practice Facebook as one communication channel to interact with their prospect and conduct the direct selling because it is the reducing costs of marketing and communication. They authorize their employee to response this area and use live chat of Facebook as a tool to communicate with the prospects and customers as quick as possible. This is similar to the finding of Watson et al. (2002) that the main benefits of E-marketing is reducing

costs of marketing and communication and enhancing reach. The cost of online marketing is lesser than other marketing platform such as face-to-face merchants or suppliers.

#### *The Practice and Engagement of Online Marketing in Serviced Apartments*

Most of serviced apartments practice online marketing channel in order to *enhance PR activity and develop more traffic to their serviced apartments*. Some of them provide the information on their website and OTA pages in order *to compete with competitors and build images*. Good design of website and ease of its using can affect the customers' online purchase decision in the positive way. It supported by Devaraj et al. (2003). The serviced apartments understand the significant of marketing channel updating effect to their image, but most of them not often update such as their own website and Facebook. For the price promotional updating, they let OTA to come up with the new promotion for joining.

As Friedman (2006) indicated that the world is flat, the customers can easily use website and social media to share and post their own opinions, related comments and personal experiences, which used as the information by the others. The distribution of WOM in the Internet era can enhance the individuals making their own decision easily (Dellarocas, 2003). Similar to the study of Pan et al. (2007) supported that the online review from the experienced individuals are an significant source of travel information to future travelers. In addition, Goldenberg et al. (2001) investigated that a traveler's decision-making process is powerfully influenced by WOM. At the same time, all of the serviced apartments use OTA reports to realize and analysis the positive and negative comments of their customers. The report is very helpful for them to learn the customers' need, want and demand. The negative comment is not always the bad news because if can help the serviced apartments' owners to pinpoint where they should specially be concentrated on and put it right.

#### *Importance of E-marketing Strategy for the Serviced Apartment*

E - marketing is the significant channel to communicate and interact with serviced apartment's prospects all over the world because people connect the Internet via their devices such as smart phone and laptop a lot easier than in the past to search for accommodation to stay while they are planning their vacation. Online marketing is importance for entrepreneurs and small business owners because many customers turn to the Internet in order to research and shop

for goods and services. The findings showed that consumers tend to get used to the Internet to book the accommodation, share their travel experience through online media, and be influenced mostly by others' previous experiences. This is similar to the findings of Litvin et al. (2007) who mentioned that customers tend to be more influencing by the information that provided by the product or service users more than travel agent and company websites. As most of serviced apartments provide their own website, they should conduct search engine optimized in order to make their website appear at the top of search result by using effective specific keywords.

### **5.3 Recommendations on Developing the Effectiveness of Serviced Apartment's Marketing Strategy Through the Internet**

Online marketing communication via website, social media and OTA can be more effective for the serviced apartments in Phuket if they assign one of their employees to take responsible for both PR activities and respond with the customer's comments. In addition, their staff should contact with the OTA to encourage them providing the marketing promote and consider the OTA's condition, policy and commission. Based on the interviews conducted, most of serviced apartments in Phuket stated that online marketing is becoming progressively significant; however several serviced apartments have assigned their staff to take care the online marketing channel officially. Most of serviced apartments do not update their website and social media much. The researcher found that some serviced apartment's information that provide on the OTA websites are not updated in terms of number of room and accommodation's picture. The frequency of the update can create the good image for the serviced apartments. It represents active website and webpage which can generate brand awareness of the serviced apartments. The staff can improve the visibility of serviced apartment by updating activities or good memorial event, weather, quality interior and exterior photo, new breakfast menu, service offer, contact and price promotion. Furthermore, the staff should response to the customers 'question as quick as possible with the proper English language. This process can change the prospect to become the serviced apartment's customers in the future.

To generating more traffic and revenue to the serviced apartments, the owner should come up with the interesting marketing campaigns. For example, during Vegetarian festival, Loykratong festival, Christmas and New Year, the serviced apartment can use online marketing

channel to present the special offers to the existing users and attract new customers. Providing the campaigns will be more successful if the serviced apartments have clearly market segmentation. The reason is each segmentation has different demographic, psychological and culture which lead to their different interesting and the process of decision-making.

The service apartment should create the appropriate standard of process and authorization for specific staff to take responsible to the customers' comments on social media such as Facebook and Tripadvisor. In addition, they should frequently track the comments on the Internet, proper handle the negative comments and conduct the monthly report to the management team. The service apartment's owner should be concerned with the negative comment as the direction to improve their products and services and understand the nature of customers. Moreover, the staff should contact with the OTA in order to inspire them to conduct marketing promote because there are a number of lists that OTA have to deal with and they might overlook some of serviced apartments.

Serviced apartments need to delegate their staff with clear responsibilities and job description to control this marketing channel. The staff should be trained to communicate with the prospects and customer with appropriate English language and good manner. They should also know the customer's culture in order to avoid misunderstand communication.

Effectiveness measurement of the online marketing campaign is very significant for the marketing direction and strategy. For marketing via website, social media and OTA, the serviced apartment should regularly evaluate to confirm the effectiveness by using return on investment (ROI). The serviced apartment's owners or management level should create the opportunity to have conversation with the customers in order to know their opinion. Another way is the serviced apartment can distribute the concise questionnaire during their stay to study which online marketing channel is the most effective.

## **5.4 Limitations, Suggestion for Future Research and Contribution of This Study**

### **5.4.1 Limitations of the Study**

There are a number of limitations in this study. First, there was very limited previous study, which related directly to the online marketing strategy of serviced apartment. This provides the challenges for the researcher to gather the literature review.

Secondly, it is difficult to access to distribute the questionnaire in serviced apartment in Phuket because many serviced apartment owners were worry the survey could disturb their customers. Furthermore, the online surveys posted on social media cause the incomplete questionnaires. The researcher also posted the questionnaire on some forum, which provides very few feedbacks because the research topic required the limited respondents who used to stay in serviced apartment in Phuket.

Thirdly, interviews were conducted with only 13-serviced apartment's owner or the authorized person in Phuket using purposive and convenience sampling. Other serviced apartments are hard to access because of several reasons. Some of them were not available in Thailand and could not delegate the authorization to the other staff. In addition, a number of serviced apartment's owners had negative perception on the interview, which could rob their internal information.

Lastly, the finding of this study based on nowadays' marketing practices and online consumer's behavior. The study also limited geographically on Phuket, Thailand.

#### **5.4.2 Suggestions for Future Research**

1. In order to increase the response rate, the research should be more extensive for collecting data from the respondents in different approaches.
2. Any similar research could be conducted in other destination such as Bangkok, Chiang-Mai and Konkaen.
3. For qualitative data collecting, the research could conduct the interview with current serviced apartments 'customers in order to deeper understand their perception.

#### **5.5 Contributions of the Study**

1. The study fills a gap in the literature review on E-marketing for the serviced apartment in Phuket.
2. The study gives the recommendation related to conducting online marketing to increase effectiveness communication with the existing and the future customers.
3. The motivation of this study is not only for academic, but it also aim to develop marketing communication of serviced apartment by adapting the finding and recommendation as a base for their future action plan.

4. The finding can be used for accommodation marketers to improve their marketing strategy via online marketing.