

“Service Design for Unserved Needs in Chaengwattana Area”^{*}

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Abstract

The exhibition at IMPACT Muang Thong Thani, Chaengwattana Area is one of the MICE industries that is a stimulus to Thailand’s economy as a whole. There are a number of hotel accommodations surrounding Muang Thong Thani that can serve all exhibitors and attendees from large, medium and small scale. In addition, Chaengwattana Area especially Muang Thong Thani is very competitive because there are many projects and competitors in this area called “Red Ocean”. A study **created an unserved needs services guideline for business hotel in Chaengwattana area and used a concept design that conform to the stained glass company STARRY**. Moreover, the service guidelines can inform facility and services for future hotel project located near IMPACT Muang Thong Thani and Chaengwattana area. Instead of competing directly with Red Ocean the existing market leader at IMPACT Muang Thong Thani, Chaengwattana Area. On the other hand, this research focuses on creating unique service design products and profiting from unserved needs market space used a Blue Ocean as a strategy such as create and capture new demand from new perspective also make the competition irrelevant. The objectives of this study are 1) to know the customer’s insight and needs when choosing the hotel accommodation in the IMPACT Muang Thong Thani and Chaengwattana area. Secondly 2) to create the Service Design Programming of business hotels for unserved MICE exhibitors and local users. The research includes mixed research methodology, qualitative analysis of structured literature review, questionnaires, and uses group interviews with participants and focus group and used service design process as a research framework. The research result has found unserved needs are 1) Logistic Consult 2) Office Supply such as co-working space 3) storage. As well as hotel should provide long periods stay, customer needs a standard room at a price of 1,000 - 1,500 baht with an average

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stay of 8 days. However, the consumer behavior of exhibitors who come from other areas are quite different from those local exhibitors in many aspects. This is because they need to stay in the hotel for a long period of time due to the fact that most exhibition lasts for several days and sometimes more than a week. In the past, there was no study of the behavior of this particular group of consumers, especially on factors affecting the choice of hotel accommodation. Moreover, shuttle bus transportation, the travelling time from the hotel to the exhibition venue should not exceed 30 minutes having a shuttle service available in the hotel is very satisfactory for them. Multifunction space or room is appropriate to earn extra income to the hotel. The conclusion and recommendations of this study are purpose to suggest the new services guideline for hotel in Chaengwattana area not recommended only for exhibitor who come to IMPACT Muang Thong Thani but including people who live in Chaengwattana area and looking for a new space that suitable for their life style.

Background and significance of the research

MICE Travelers are known in the tourism and hospitality industry as “big spenders” compared to the leisure tourists (Gurkina, 2013). According to the figure 1 and 2 below, number of MICE traveler and the income gained from MICE industry in Thailand have been growing through years, which in the year 2559 has risen 5.64% and 9.57% from the previous year respectively. MICE travelers are also considered as a big spender when compared to regular travelers. This is because they do not only spend their money on hotel and food, but they also spend money on the facilities and services according to their activities including meeting room, exhibition venue, event organizer etc. When we take a closer look that each MICE activity, we can notice that exhibitors have different customer behavior than the others.

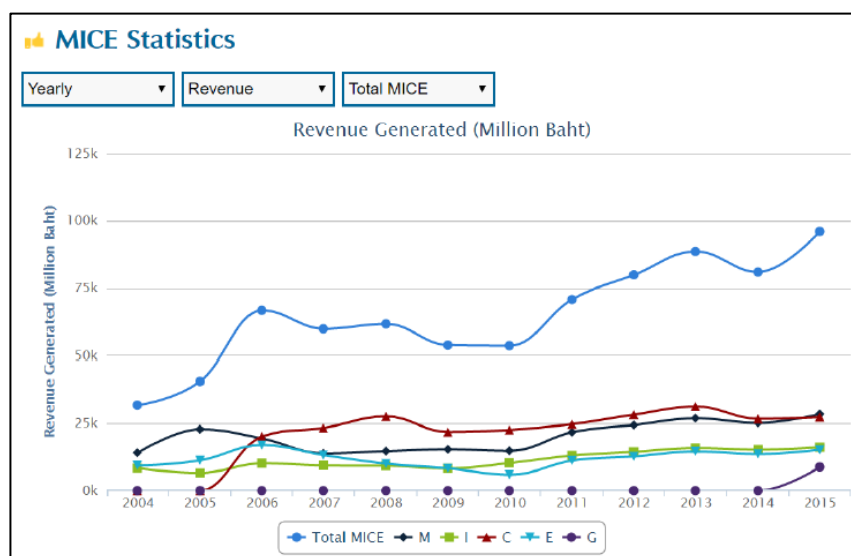


Figure 1: MICE Revenue Generated in Thailand



Figure 2: Number of MICE Traveler and Income Gained from MICE Industry in Thailand

Moreover, not only MICE traveler or exhibitor are the perspective customers for hotel in Muang Thong Thani and Chaengwattana area students who study with in university or institute and people live in this area are including. Nowadays, there are a number of accommodations surrounding Muang Thong Thani that can serve all exhibitors and attendance from large, medium and small scale. In addition, Chaengwattana Area especially Muang Thong Thani is high competition because there are many projects and competitors in this area called as Red Ocean.

Red Ocean strategy, is a traditional strategy used a compete in existing market space as well as exploit existing demand. Especially in Chaengwattana Area is high competition and market share but still have opportunity to play by the reason that has many significant space such as IMPACT Muang Thong Thani. On the other hand, this research is used Blue Ocean Strategy as a marketing conceptual framework because of Blue Ocean strategy creating a leap in value together with innovation both customer and business owner make more opportunity for hotel to get in-touch what real customer needs.

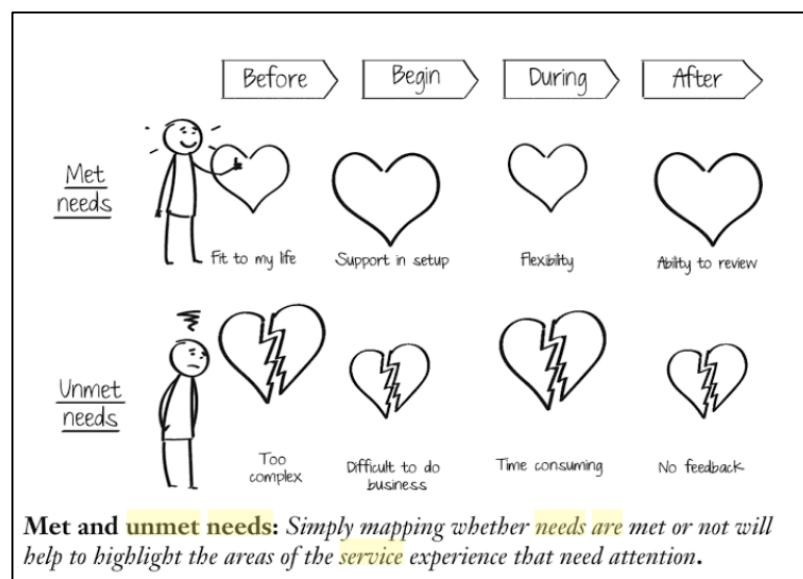


Figure 3: Met and unmet needs¹

A study aimed to create an unserved needs or unmet needs (figure3) services guideline for business hotel in Chaengwattana area and use a concept design that conform to a stained-glass company named STARRY. Moreover, facility and services for future hotel project located near IMPACT Muang Thong Thani and Chaengwattana area. Instead of competing within Red Ocean with existing market leader of at IMPACT Muang Thong Thani, Chaengwattana Area. On the other hand, this research focusing on creating unique services design products and profiting from unserved needs market space used a Blue Ocean as a strategy such as create and capture new demand from new perspective also make the competition irrelevant. In addition, the brand needed to understand consumer's attitudes, emotions customer needs.²

¹ Reason, B., Løvlie, L., & Flu, M. B. (2016). Service design for business a practical guide to optimizing the customer experience. Hoboken, N.J: John Wiley & Sons, Inc.

² Curedale, R. A. (2013). Service Design: Pocket Guide, Design Community College Inc.

Research objectives

To explore customer's insight and needs for the business hotel in Chaengwattana area.

To analyze the customer unserved needs while choose hotel to stay in Chaengwattana area.

To create service design guideline from unserved needs for business hotel in Chaengwattana area.

To develop a preliminary design architecture and corporate brand design for business hotel in Chaengwattana area that conform to a stained-glass company named STARRY.

Research questions

What are the unserved needs of business hotel in Chaengwattana area?

What are the service design programming for unserved needs inChaengwattana area?

Research Method

This research is based on qualitative and quantitative methods using the structured interview, unstructured interview .Suitable design research tools are used to investigate customer journey in order to find insight information from the interviewees .Thus, the insight information gained from the interview can be generated to identify the unserved needs.

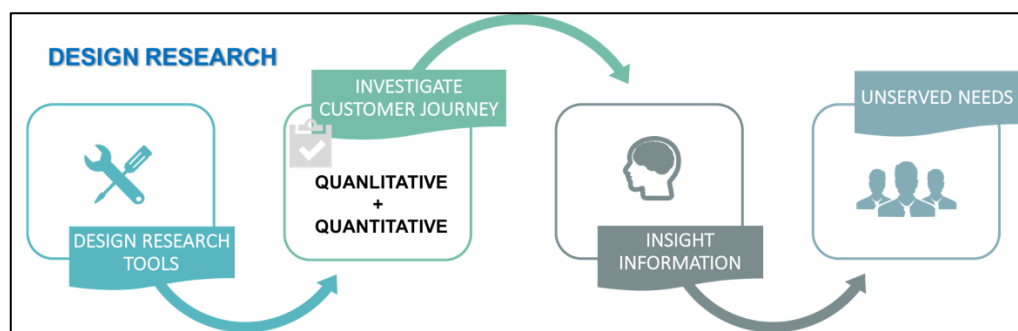


Figure 4: Research Methodology

Research Process

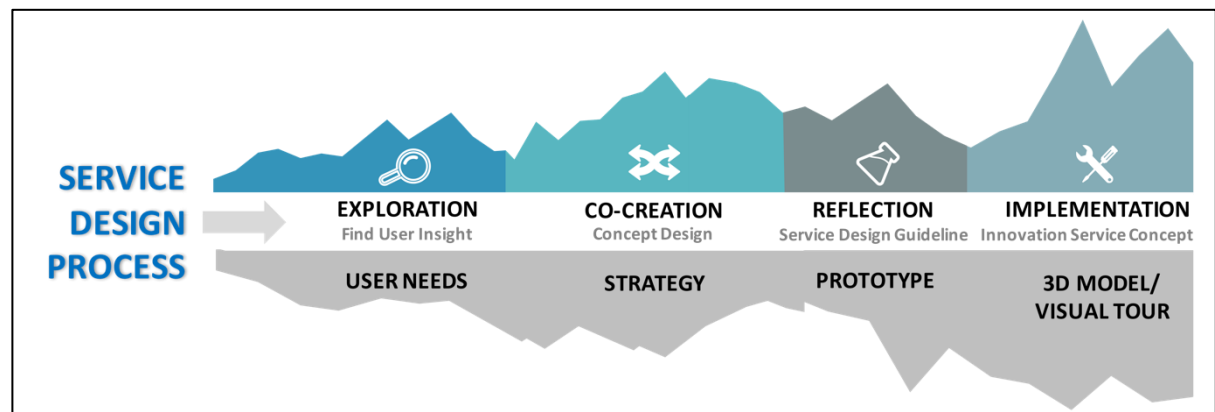


Figure 5: Service Design Process Overview

Tools used in this research are the tools from the theory of Service Design, which is the concept of the combination between participatory design and User-Centered Design and connecting to the science of product, environment, experience and interaction (Marc Stickdorn 2012). The research process is divided into four main steps which are exploration, co-creation, reflection and implementation. Exploration is to find a real problem, which in this case the researcher began by exploring Chaengwattana area. After several in depth interviews with exhibitors in the area, researcher was able to obtain some significant user insights which at the end lead to the finding of unserved needs that have not been provided by the other players in the market yet. After knowing their unserved needs, the co-creation can continue the process by using information gathered to generate and create concept design for specific users. The importance of getting the concept design is that it can become the strategy that helps the project to differentiate itself from other competitors as the unserved needs are clarified. Next, moving on to reflection process, this process is mainly to test for the concept design whether it's accurate or not. Then the service design guideline can be finalized and ready to perform with the prototype. Finally, the research is aimed to implement the innovation service concept in the real project.

Research Framework

As explained earlier, this research uses service design process to find the unserved needs. This research framework is mainly divided into two parts which are business and design. For business part, business research needs to be collected from stakeholder interview, competitive analysis and other requirement gathering. Those data collection can be useful in terms of setting business model and market strategy for the project. On the other hand, the most important aspect for the design part is to find the identity of the project. This is because

it helps to incorporate the design for brand archetype, brand personality and brand positioning, which in this case, the brand identity has been developed from the stained-glass company of the project owner. Hence, the expected outcomes are the design of architecture, interior and brand of the project. All in all, the research outcomes from both business and design parts are combined to create the branding for business hotel that serve the target customer needs.

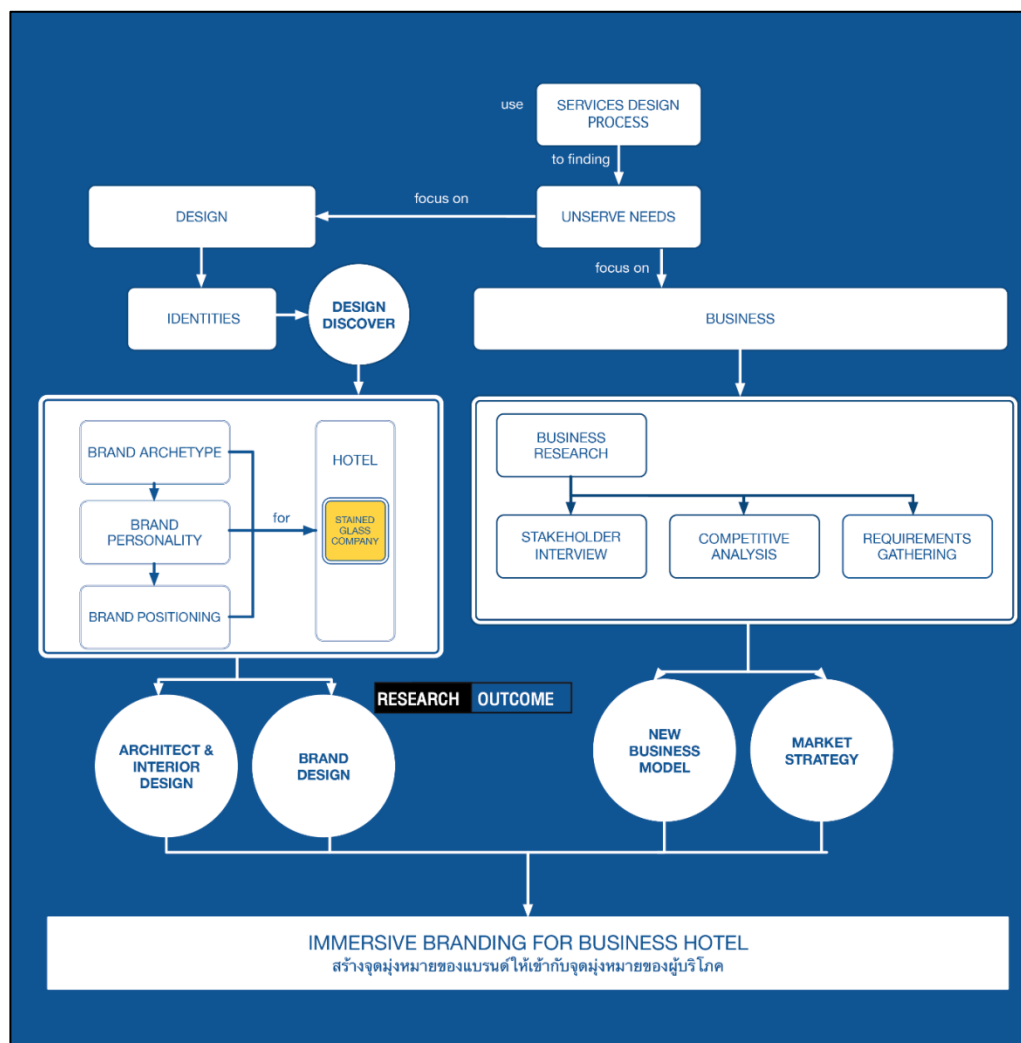


Figure 6: Research framework

Data Analysis

The data using to analyze in this research are from three main sources which are the literature review, the interview and the competitors. From the literature review have found that MICE travelers concern for specific aspects when choosing a hotel to stay. This is because they travel for a business purpose, so their needs and wants are different from those who travel for a leisure purpose. The top three significant aspects mentioned by MICE are location, service and internet followed by transportation, staff, room, price, design, breakfast and

catering respectively. It is clear that the hotel location plays a vital role for MICE travelers who concern for the distance they have to travel from hotel to MICE venue. MICE travelers also need some over standard services, whereas some standard services that offered in leisure hotel are not needed for them.

By knowing their requirements, hotel would be able to maximize their resources, and at the same time increase customers satisfaction by offering customer needs and wants. Other than the internet needed that might have become the standard aspect for all group of customers, transportation also has an effect on MICE travelers' decision when choosing a hotel to stay. Staying for a long period of time to attend MICE activity, MICE travelers need to concern about the time and expense needed for transportation each day. Therefore, hotel with easy accessibility and more transportation choices available are more likely to be chosen by MICE travelers.

The researcher conducted several in depth interviews with MICE travelers who attend IMPACT exhibitions. The data gained from the interview appears to be equivalent to the data gained from literature review. Interviewees claimed that location and transportation are ones of the main aspects that they concern when choosing a hotel to stay. In case the location might not be the nearest choice, but with having a daily shuttle service is also preferable for them for the tradeoff. In addition, interviewees normally have difficulties with keeping their goods and belongings during the exhibition due to the fact that IMPACT does not offer space and service to deposit their things. Thus, this unserved need can be served by offering a warehouse or self-storage in the hotel space for rent. Price is another important aspect as it is the main expense that MICE travelers need to spend on their trip. Some MICE travelers prefer the cheapest price with standard service in order to save cost. On the other hand, some prefer service over price meaning that even the price might be higher, but as long as it covers all the service and facility that they need in one place, then they are willing to pay. Interviewees also mentioned that if the hotel offer them a special discount for a long-stay, it could affect their decision making as they feel more value for money and are likely to return for their next stays, as well as becoming a brand loyalty for the hotel.

After studying the literature review and obtaining unserved needs from the interview, supply analysis from the competitors also needs to be compared with the findings in order to know the missing supply that hasn't been provided yet. It is clear that standard service and facility such as rooms, internet, parking and restaurant are provided by all competitors. Hence, other over standard service and facility namely business center, self-storage and shuttle service can help to create the competitive advantage for the project.

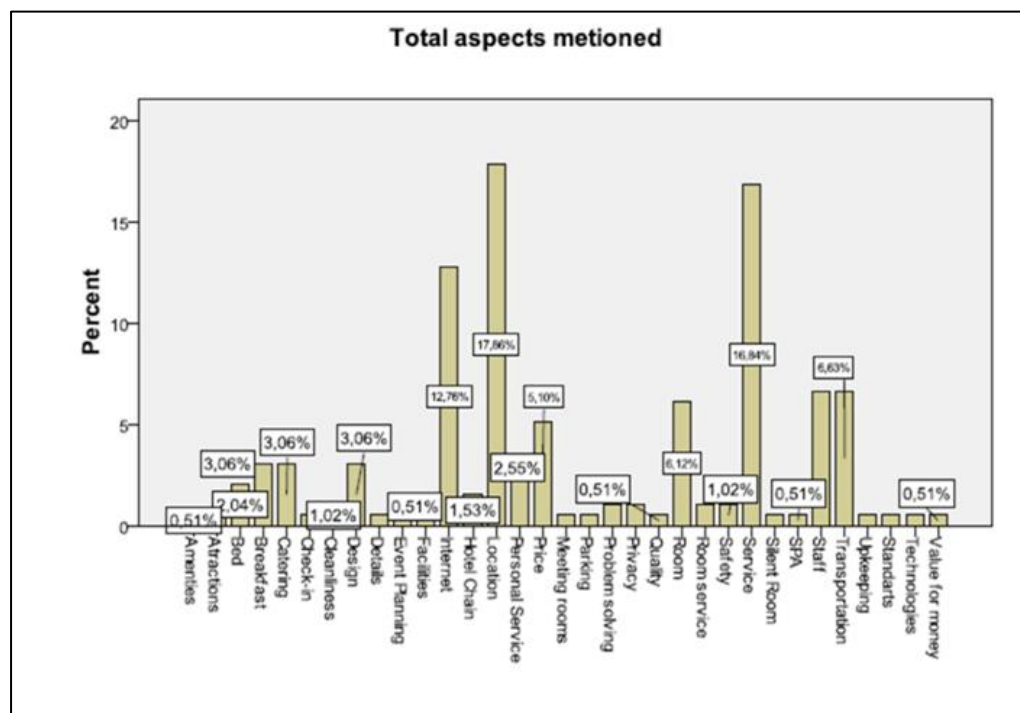


Figure 7: Aspects Affecting Hotel Choices for MICE Travelers

The business hotel market in Chaengwattana area are studied to acknowledge the supply available in the catchment area, which there are six competitors with 1,749 rooms in total .The average price range is varied from THB1,600 to THB4,800 per room per night depending on the market positioning.

Name	Rooms	Price Baht
Ibis	587	1,870
Novotel	380	3,880
TK Palace	180	1,600
MIDA Airport Hotel	128	2,000
Miracle Grand	270	4,800
Centra by Centara	204	1,900

Figure 8: Competitors' in Chaegwattana Area

In figure 9 below, it shows the comparison of the standard facility and over standard service .It helps to identify the significant facility that most competitors have in availability, meaning that the project should have those as well .In contrast, over standard services mentioned by the research and interviewees are clearly not served by most of the competitors even though there are demand in the market, which in this case, can be considered as the unserved needs.

Standard Facility	Ibis	Novotel	TK Palace	MIDA	Miracle Grand	Centra
Rooms	587	380	180	128	270	204
Free WIFI	Y	Y	Y	Y	Y	Y
Meeting Room	N	Y	Y	Y	Y	Y
Wedding	N	Y	Y	Y	Y	Y
Parking	Y	Y	Y	Y	Y	Y
Business Center	Y	Y	Y	Y	N	N
Fitness	N	Y	N	Y	Y	Y
Spa	N	Y	N	N	Y	N
Swimming Pool	N	Y	N	Y	Y	N
Restaurant	Y	Y	Y	Y	Y	Y
Coffee Shop & Bakery	N	Y	Y	Y	Y	Y
Over Standard Service	Ibis	Novotel	TK Palace	MIDA	Miracle Grand	Centra
Flower Shop	N	N	Y	N	N	N
Money Exchange	Y	N	Y	N	N	Y
Safety Deposit Box	N	N	Y	N	N	N
Reduced Mobility Facilities & Rooms	Y	N	N	N	N	N
Airport Shuttle Service	N	N	N	Y	Y	Y
Warehouse	N	N	N	N	N	N
IMPACT Shuttle Service	N	N	N	N	N	N
Dressing Room	N	N	N	N	N	N

Figure 9: Service and Facility Comparison

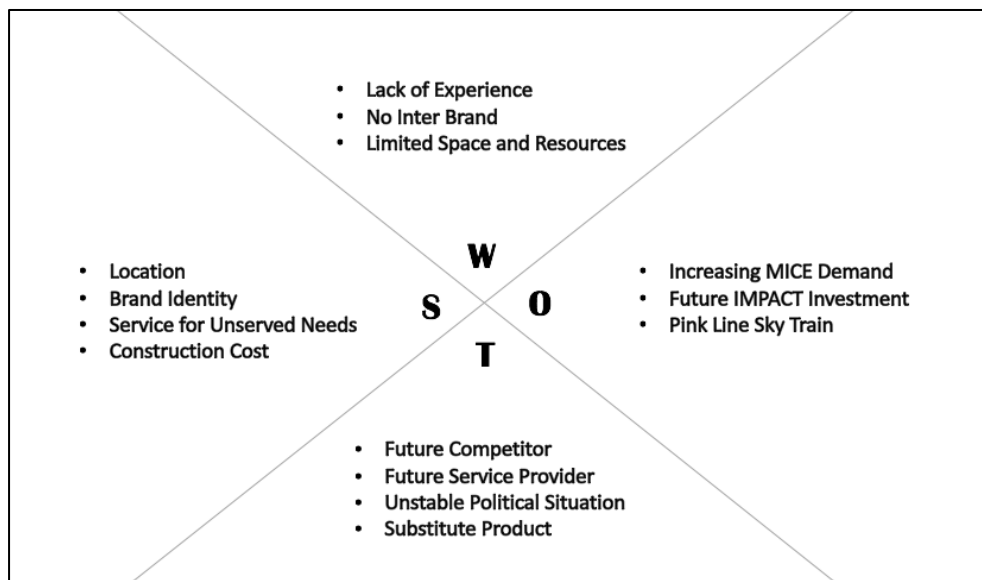


Figure 10: Project's SWOT Analysis

After doing customer and competitor analysis, doing SWOT analysis is also important to know the strength and opportunity which can become the competitive advantages for the project, as well as knowing the weakness and treat to help the project finds the prevention or the best solution out of it.

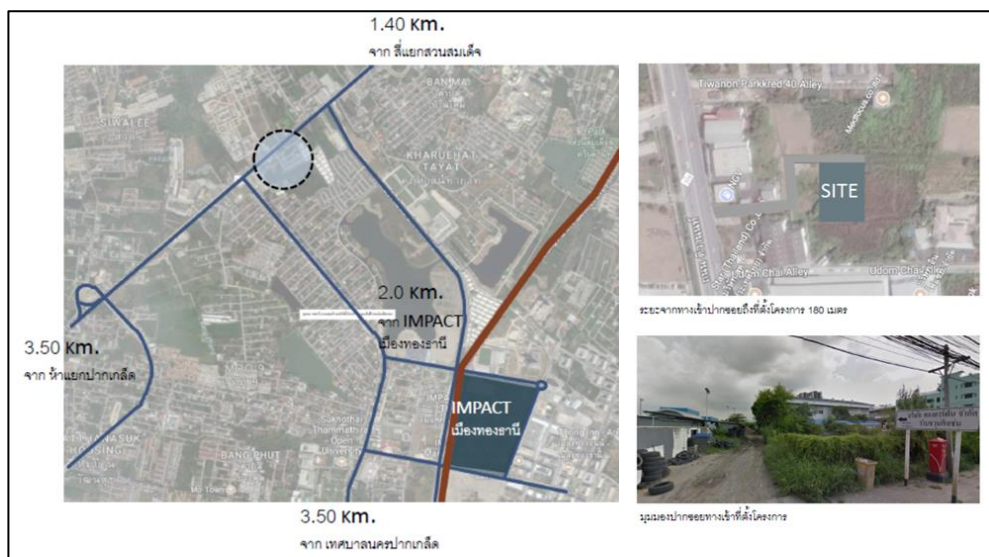


Figure 11: Site Analysis

The subject property is located near Tiwanon road, which is only 2 kilometers away from IMPACT. The site location can be accessible by numerous choices of transportation. After studying the potential of the subject property, it is suitable to develop for the project concerning MICE travelers arriving at IMPACT and other related target groups.

Customer Segment and Analysis

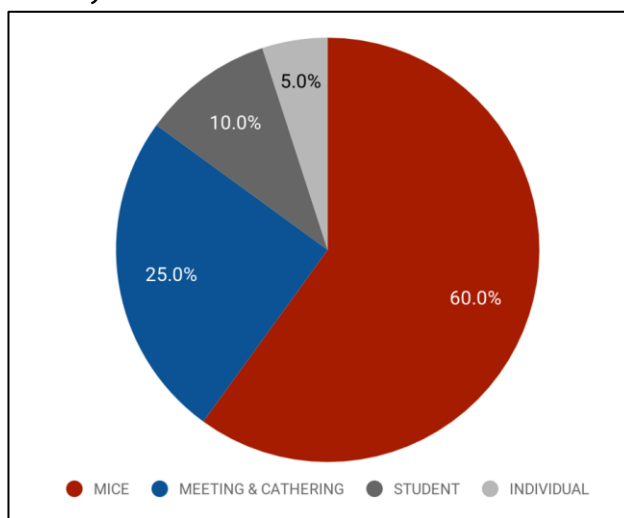


Figure 12: Customer Segment

The main customer segment for the project is MICE travelers as they are the biggest potential target group that has been studied for the unserved needs by this research. Apart from having MICE as the main target customer at 60% market share, this research also analyzes for secondary groups of customers in order to strengthen the possibility of the project, and as well increase more income with less investment needed as possible. Secondary target groups that have been raised into topic are meeting and catering at 25%, student at 10% and other individual group of customer at 5%. Because after the researcher studied customer behavior of both groups, they tend to have similarities on activities and service needs that can be shared with MICE customers along the processes of their customer journey. In addition, new Silpakorn university city campus has just newly opened in IMPACT, Chaengwattana area, meaning that more supply is needed to serve the growing demand.




	 MICE	 Student	 Meeting & Catering
Pre-Process	BOOKING <ul style="list-style-type: none"> Room Logistic Service Meeting Room Event Organizer 	FINDING <ul style="list-style-type: none"> Working Space Reading Space Small Group Meeting Free WiFi 	BOOKING <ul style="list-style-type: none"> Event Space Meeting Space Room
Process	<ul style="list-style-type: none"> Storage (สินค้า, ของใช้, ของมีค่า, ของฝาก) Transportation Small Meeting Food & Beverage Laundry Service Office Supply Parking 	<ul style="list-style-type: none"> Meeting Room Tuition Room Office Supply Food & Beverage Transportation Parking 	<ul style="list-style-type: none"> Room Event Room Storage Food & Beverage Transportation Parking
Post-Process	<ul style="list-style-type: none"> Clear up booth Logistic Service Transportation 	<ul style="list-style-type: none"> Transportation Storage 	<ul style="list-style-type: none"> Transportation

Figure 13: Customer Journey Analysis

According to the table of customer journey, pre-process is when customers are searching for the products and services that they need to use. MICE customer does not only look for hotel room to stay, but for Exhibitor, they also need logistic service to move their products and belongings to display at the exhibition venue, especially for those who are travelling from other provinces. According to the interview, some exhibitors prefer to pay for extra service to event organizer to set up their booth display even though it might cost more expense than doing by themselves, because it is more convenient and less time consuming.

Pre-process for student mainly is to find a place to study with high speed internet and food available. On the other hand, meeting and catering mainly search for a space and room which the subject property can handle small group of guests. Next is the process where customers are using the product and service at the hotel. As mentioned earlier in the interview, significant needs for MICE are storage to keep their goods and belongings during the exhibition period, as well as convenient transportation to travel to MICE venue. Furthermore, interviewees claimed that there are possibilities that they need to have small business meeting with their team or even with the customers each day. Office supply is needed to finish unexpected task for both MICE customers and students. Parking, transportation, food and beverage are basic service and facility that all groups of customers have in common. Other than that, there are vary according to their main activities. Lastly, Post-process is when some services and facilities are still needed at the end of their customer journey. For example, exhibitors need logistic service to move their goods and belonging back.

Room size	● 20-35 sqm.
Price range	● 1,500 – 1,800 Baht/Night
Facility	● Room ● Meeting Room / Event Room ● Parking ● Transportation ● Food & Beverage
Over standard service	● Logistic Consult ● Office Supply ● Storage

Figure 14: Project Conclusion

In conclusion, after all services and facilities have been analyzed, we can conclude the needed service for the main target group of MICE, and secondary customers like students and meeting and catering. We can clearly see that all functions included in the final project are mainly designed for MICE customers, and at the same time, can benefit those students and meeting and catering without increasing the investment, but only the function design that need to be able to serve more variable types of users. In this case, the project can lower the risks and gain more income when MICE customers don't use the facility during their absents to stay at the MICE venue.

The project finally settles with the name of Astrotel to represent the identity of the project owner, stained glass company with a concept of stars. Brand corporate identity and preliminary design are perfectly portrayed the brand value, and at the same time, answered unserved needs for users. To sum up, the project has service as its core competency when it can deliver both standard service and over standard service altogether with the unserved needs.



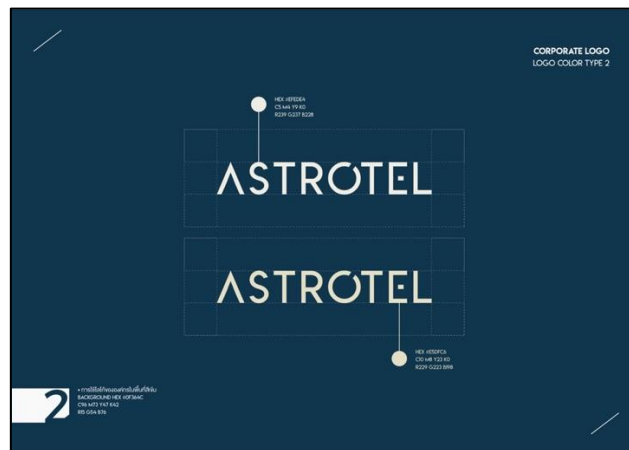


Figure 17: Corporate Logo Design (1)



Figure 18: Corporate Logo Design (2)

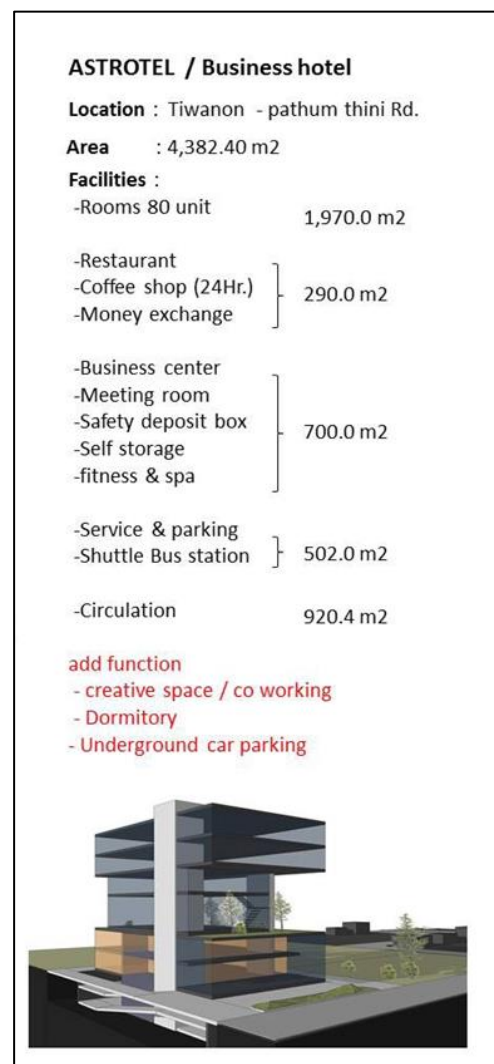


Figure 19: Project Information

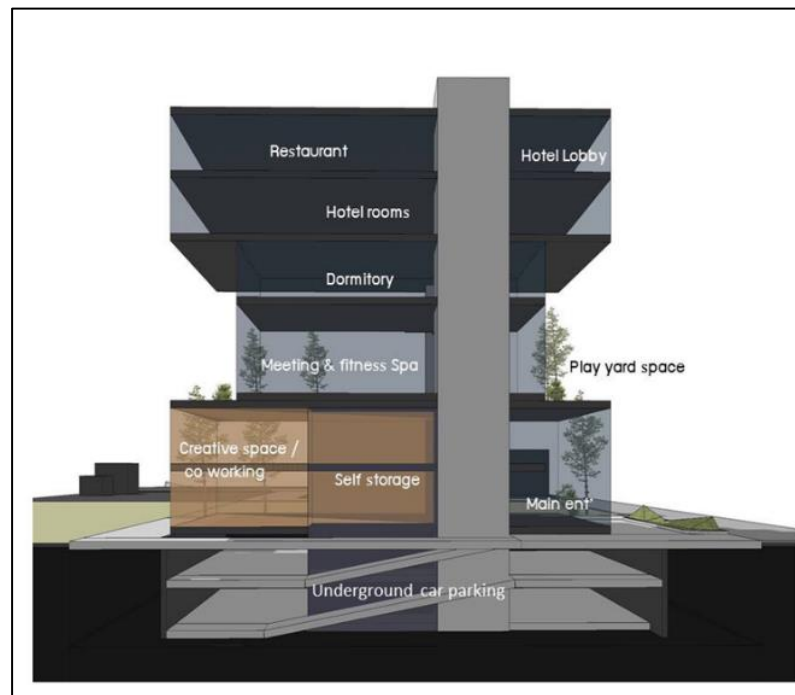


Figure 20: Hotel Section

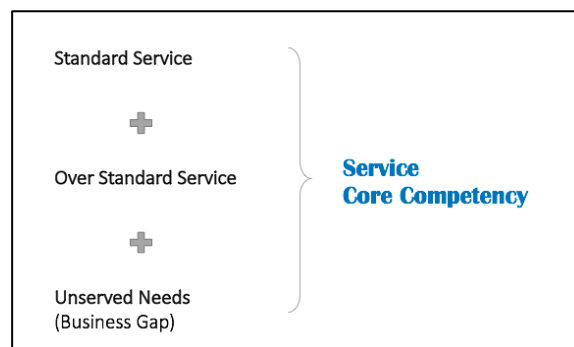


Figure 21: Service Core Competency Diagram



Figure 22: Unserved Needs

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