

## Factors Influencing the Selection of Hotels/Resorts in Lanta Yai Island, Krabi, Thailand by International Travelers<sup>\*</sup>

ปัจจัยสำคัญในการตัดสินใจเลือกเข้าพัก โรงแรมและรีสอร์ท เกาะลันตาใหญ่ จ.กระบี่  
ของนักท่องเที่ยวชาวต่างชาติ

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### บทคัดย่อ

งานวิจัยนี้มีวัตถุประสงค์เพื่อถึงศึกษาปัจจัยที่มีอิทธิพลต่อการตัดสินใจเลือกที่พัก เกาะลันตาใหญ่ จังหวัดกระบี่ ของนักท่องเที่ยวชาวต่างชาติที่เดินทางที่เข้าพักในโรงแรมและรีสอร์ทที่เกาะลันตาใหญ่ กลุ่มตัวอย่างที่ศึกษาคือนักท่องเที่ยวชาวต่างชาติจำนวน 200 ตัวอย่างระหว่างวันที่ 13-23 เมษายน 2554 ใช้แบบสอบถามภาษาอังกฤษ เป็นเครื่องมือในการเก็บรวบรวมข้อมูล ซึ่งนำมาวิเคราะห์ โดยการวิเคราะห์องค์ประกอบ (Factor Analysis) และ VARIMAX ในการประมวลผล

ผลการวิเคราะห์พบว่าจาก ปัจจัยที่มีอิทธิพลมากที่สุดต่อการตัดสินใจเลือกที่พัก เกาะลันตาใหญ่ ของนักท่องเที่ยวชาวต่างชาติคือ ความปลอดภัย รองลงมาคือ ความคุ้มค่า คุณภาพการบริการของพนักงาน สถานที่ตั้ง และคุณภาพของห้องพักและสิ่งอำนวยความสะดวก ตามลำดับ

### Abstract

The objectives of this study are to investigate and identify important factors of hotel/resort selection for International Travelers. The aim is to study the influential factors involving decision-making in selection of accommodations in Lanta Yai Island, Krabi, Thailand.

The samples in this study were a group of International travelers who traveled and stayed in Lanta Yai Island during in April 2011. Some 200 sets of questionnaires were used at Lanta Yai Island. The tool used in this research was the questionnaire developed by the author. The data was then analyzed by a factor analysis with Orthogonal and VARIMAX rotation.

The results of the study about the factors influencing international tourists in the selection of hotels/resorts indicated that 'Security and Safety' was the most important factor.

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‘Value’ was ranked as the second most important factor, followed by ‘Staff Service Quality’, ‘Location’, and ‘Room and facilities Quality’, respectively.

The study suggested that ‘Security and Safety’ has been identified as the most influential in determining customers’ selecting the hotel in Lanta Yai Island, this is what hotels in Lanta Yai Island should consider while developing marketing strategies. For these prospective customers, security and safety are the most basic human needs. Even if the hotel is comfortable, if there is no safety, it is not worthwhile staying there. The other factors such as ‘Value’, ‘Staff Service Quality’, ‘Location’ and ‘Room and Facilities’ should not be ignored as well. The hoteliers should maintain the standards of these services and facilities to meet the basic needs of the customers.

## 1. Introduction

### 1.1 The growth of tourists in Thailand

Thailand is one of the developing world's most popular tourist destinations and enticing to both jet setters and backpackers (Tourism-Review, 2010). Tourism makes a larger contribution to Thailand's economy (typically about 6 percent of gross domestic product) than that of any other Asian nation (Economy of Thailand, 2011). Even though in recent years Thailand's tourism has faced many problems, including the tsunami in 2004 and a multi-day shutdown of its international airport in 2008 and political crisis, red-shirt protests in April 2009 and political turbulences in April and May 2010, the relatively stable internal governmental situation following the 2008–2009 Thai political crisis, and the 2009 flu pandemic having less of an impact as initially feared, have changed the tourism outlook for 2010. Thailand experienced a decrease of international visitors of 16% over the first six months of 2010, but the last four months of 2010 have seen a return of foreign tourists to Thailand with a marked increase during the months of November and December (TAT News 2010).

### 1.2 The growth of tourists in Krabi and Lanta Yai Island

Krabi is one of the southern provinces of Thailand, at the shore of the Andaman Sea. Neighboring provinces are (from north clockwise) Phang Nga, Surat Thani, NakhonSriThammarat. It is an area of outstanding natural beauty. Tourism has become the most important economic feature of Krabi today. With its beautiful beaches and unspoiled islands, Krabi is now one of the most famous tourist destinations in Thailand and a top destination for beach and islands lovers. Much of the province has been the seat of several national parks. The topmost destinations are Hat Noppharat Thara, Ao Nang, Railay, Koh Phi Phi National and Lanta islands or Koh Lanta (TAT News).

According to Department of Tourism in Krabi, Krabi's tourism industry declined in 2004. As illustrated in Table 2, the numbers of visitors declined from 1.8 million in 2003 to 1 million in 2004, representing a -42.83 percent drop which affected the revenues, decline from 19.3 million baht to 7.4 million baht, representing a -56.67 percent dropoff due largely to the Tsunami Disaster. But, Krabi tourism industry has seen a significant rise in visitors' arrivals and associated increased revenues again in 2006. However, the global recession from end of 2008 and political disturbances in 2009 and 2010 also had effect on tourist arrivals in Krabi again (Table 1). According to the Tourism and Sports Ministry's statistics, from January to December 2010, 1,354,971 travelers visited Krabi, down 18.49% from 1,662,321 in 2009. The arrivals broke down into 514,194 Thai, down 37.89% from 827,821 in 2009 but 840,777 foreigners increase +0.75% from 834,500 in 2009 (see table 4).

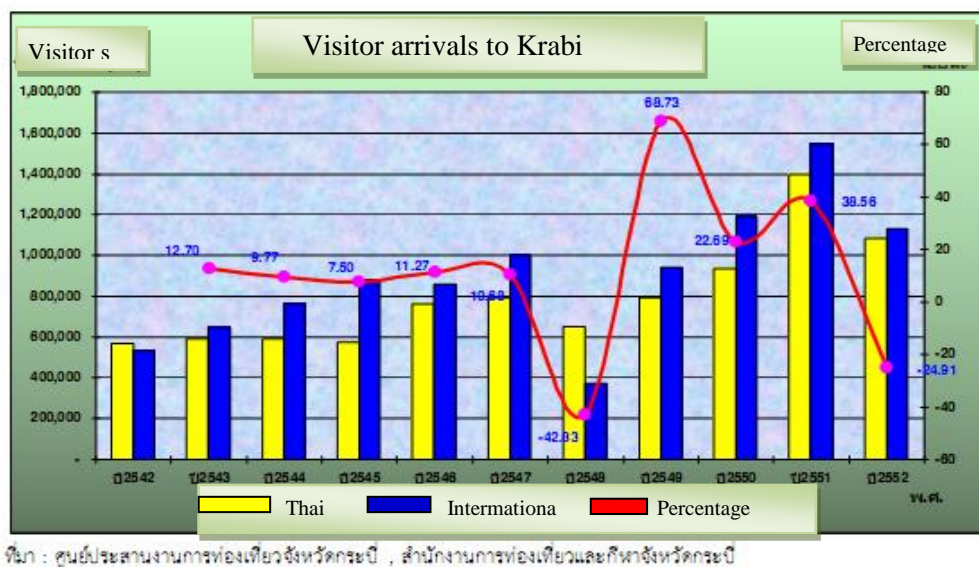
The top five source markets in 2010 were: Sweden (163,240, +5.02%); Germany (63,087, -36.63%); U.K. (including Scotland) (61,222, -7.86); Australia (53,168, +16.74%); Finland (59,246, +148.44%) and France (43,776, +12.88%). Krabi has 12,446 rooms, mainly on beaches and islands within 20 km of the provincial town. Regarding the hotel industry in Krabi, the number of hotel rooms had 8,876 rooms in 2010, which had been decreasing from 12,446 rooms, about 28.68 percent in 2009. Overall occupancy in Krabi decreased to 31.95 percent in 2010, compared with 48.58 percent in 2009 (TTR Weekly, 2011).

Table 1: Visitor arrivals to Krabi, 2009-2010

Nationality	2009	2010	$\Delta$ , (%)
Thais	827,821	514,194	-37.89%
Foreigners	834,500	840,777	+0.75%
Total visitor arrivals	1,662,321	1,354,971	-18.49%

Source : Tourism Authority of Krabi, Krabi Provincial Office of Tourism and Sports, 2010

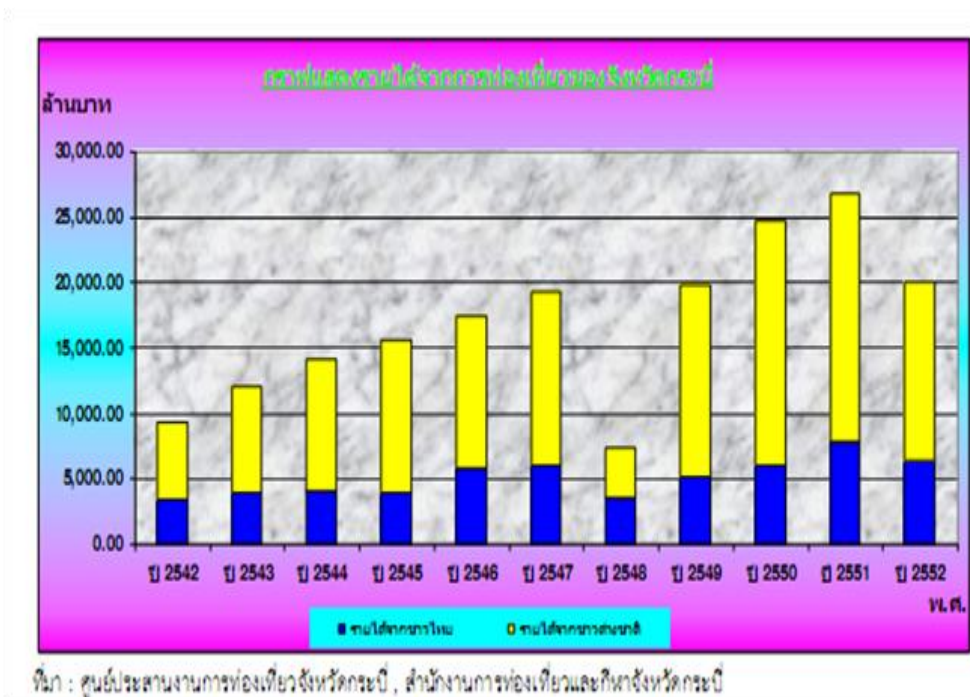
Table 2: Visitor arrivals to Krabi, 1998-2008



ที่มา : ศูนย์ประสานงานการท่องเที่ยวจังหวัดกระบี่ , สำนักงานการท่องเที่ยวและกีฬาจังหวัดกระบี่

Source : Tourism Authority of Krabi, Krabi Provincial Office of Tourism and Sports, 2010

Table 3: Revenue from tourism in Krabi from 1998-2008



ที่มา : ศูนย์ประสานงานการท่องเที่ยวจังหวัดกระบี่ , สำนักงานการท่องเที่ยวและกีฬาจังหวัดกระบี่

Source : Tourism Authority of Krabi, Krabi Provincial Office of Tourism and Sports, 2010

Ko Lanta is an amphoe (district) within Krabi Province. The district was established in December 1901. The district, located approximately 70 km from Krabi. Ko Lanta National Park, covering a total area of 152 square kilometres, consists of many islands, the larger which more populated Ko Lanta Yai (commonly known as simply Koh Lanta) and the smaller Koh Lanta Noi

Ko Lanta Yai, itself runs 27 km. from north to south, which reaches a height of almost 500 meters, and also has a mountain range covered with rain forest. It consists of 52 islands, of which 12 are inhabited. The geography here is typified by stretches of mangrove interrupted by coral-rimmed beaches, rugged hills and huge umbrella trees. Other than tourism, the main livelihood for the local folk includes the cultivation of rubber, cashews and bananas, along with a little fishing. The 20,000 residents are mixed descendants of Muslim Malay and seafaring chao leh (Sea Gypsy). It has 9 attractive white sandy beaches, splendid scenery; coastlines have more than 70 small islands, plenty with forests, coral reefs and underwater life. A popular tourist destination, the islands are known for their long, sandy beaches and scuba diving (Thailand Park Department).

Koh Lanta has exploded only very recently. In the early 1990s only the most adventurous travelers visited the island, staying in only the most basic accommodations. Nowadays, the place has turned into one of the major destinations for visitors to Krabi. Koh Lanta is steadily changing, with upmarket resorts replacing the cheap bungalows (Lonely Planet online). Koh Lanta was chosen as a Best Destination in 3 categories, Beach & Sun, Romance, and Relaxation & Spa by TripAdvisor in the 2010 Travelers' Choice Destination Awards (TripAdvisor) and was ranked by Forbes, Lanta Island is the one of world's sexiest islands in 2004 (Forbes online).

However, Koh Lanta has been increasing visitor arrivals more slowly than other Samui and Phra Ngan islands. Regarding the limitation of numbers of visitors looking for information about Koh Lanta, a recording of the number of visitor arrivals is not available but T.A.T in Krabi estimate the number of visitors actually arriving at Lanta Yai Island daily is approximately 7,000.

Using the Lanta Yai Island hotel industry as a case study, the purpose of this research is to explore and identify the determinants underlying configuration of hotel choice criteria for travelers and to investigate the influence of demographic characteristics impacting on travelers' decisions in selecting hotels/resorts that can be translated into customer satisfaction and repeat purchase. Undeniably, customer satisfaction with hotel properties has been

identified as one of the factors leading to the success of a tourist destination (Shil, 1986; Yua and Chan, 1990; Stevns, 1992; Mok et al., 1995).

This paper attempts to identify the importance of hotel selection factors in Koh LantaYai hotel industry. By identifying the needs, desires and expectations of different segments, hoteliers will be in a better position to develop tailor-made marketing strategies to cater to their target customers and to achieve competitive advantages. To be successful in business, hoteliers must understand how customers make their decisions in hotel/resort choices selection. The importance of “being competitive” and “offering competitive advantage” has been recognized for some years. In the hotel environment, where competition dominates, hoteliers must study the strength and weaknesses of the product or service they provide and accurately define their importance.

## 2. Literature review

An excessive supply of rooms resulting in Lanta Yai Island has been caused largely by the political crisis in Thailand and an economy crisis worldwide, leading to a decline in travel, signaling that hotels and resorts will face unparalleled competitive challenges. In a highly competitive hotel industry, only those hoteliers with a clear vision of their guests’ needs will survive and prosper. Understanding guests’ needs above all necessitates an understanding of how they choose a hotel. Given that hotel choice behavior involves a decision process and choice criteria are central to the process. A plethora of past research investigated how customers have made decisions regarding hotel/resort selection.

### 2.1 Perceived hotel attributes and customer satisfaction and service quality

The intangibility, inseparability, variability and perishability of services, (Parasuraman et al, 1985) degrees of customer satisfaction depend on their perceptions of service attributes and facilities. In the hospitality industry, in order to promote customer satisfaction, hotel attributes should be considered as an important determinant. Within this context there are many studies which point to various hotel attributes such as room quality, reputation of hotel, helpfulness of staff, all of which are considered by customers as factors for evaluating hotel performance (LeBlanc & Nguyen, 1996; Cadotte & Turgeon, 1988). Barsky & Labagh (1992) also study the satisfaction issue by asking the respondents to evaluate the hotel performance based on different hotel attributes. Dolnicar and Otter (2003) reviewed 21 studies undertaken over the period of (1984 - 2000) looking at hotel attributes. From the 21 journal articles Dolnicar and Otter (2003) extracted 173 hotel attributes including such factors as: Image, Service, Price/Value, Hotel, Room, Food and Beverage, Security and others. Research

has also shown that, in the hospitality industry, the quality of interpersonal interaction between the customer and the contact employee greatly influences customer satisfaction (Bitner et al., 1994; Lovelock, 1996).

Measuring customer satisfaction is an integral part of the effort that improves a product's quality, resulting in a company's competitive advantage (Cravens et al., 1988; Garvin, 1991). The theory of consumer behavior, as discussed by Engel et al. (1990), points out that customers' buying behaviors and levels of satisfaction are influenced by the customer's background, characteristics, and external stimuli. As customer satisfaction is influenced by the availability of customer services, the provision of quality services has become a major concern of all businesses (Berry and Parasuraman, 1991). Service Quality has become an important research topic because of its apparent relationship to customer satisfaction (Bolton and Drew, 1991; Boulding et al., 1993) customer retention (Reichheld and Sasser, 1990), and positive word of mouth.

## 2.2 Perceptions of hotel service and facilities by business and leisure travelers

As business travelers and leisure travelers are the major segments served by hotels, a number of studies in the past investigated business travelers and leisure travelers' hotels selection behavior and related issues. For instance, Knutson's (1988) comprehensive study showed that both business and leisure travelers considered clean, comfortable, well maintained rooms, convenient location, prompt and courteous service, and a safe and secure environment important when selecting a hotel for the first time or for repeat visits. Cladotte and Turgeon's (1988) analysis of the data gathered from the members of the American Hotel and Motel Association stated that helpful employees, cleanliness and neatness of establishment, quality of service and employee knowledge of service were critical considerations for guests. Atkinson (1988) stated that cleanliness, security, value for money, courtesy and helpfulness of staff are found to be key attributes for travelers. Ananth et al. (1992) surveyed 510 travelers, asking them to rate the importance of 57 hotel attributes in hotel choice decision. Price and quality are rated as the most important attributes, followed by attributes related to security and convenience of location. In Barsky and Labagh's (1992) study, three attributes (employee attitudes, location and rooms) emerged as the salient ones influencing both business and leisure travelers' hotel choice decisions. Clow et al. (1994), Lewis (1985) and Marshall (1993) mentioned that security, personal interactions, and room rates were the important considerations for the leisure travelers.

This study to explore and identify which determinants of hotel choice criteria for international travelers in Lanta Yai Island can help improve management's understanding of



customer needs, and could ultimately lead to customer satisfaction and repeat business (Atkinson, 1988).

### 3. Methods

#### 3.1 Research instrument

The questionnaire for this study included four parts. The first part was designed to gather general information related to the profile of the travelers such as age levels, educational levels, and income levels and so on. It also seeks to identify demographic characteristics of the customers, which have an impact on travelers' decisions in selecting hotels/resorts. The second part included 11 questions about consumer behavior of the travelers who tend to be the customers of the hotel. The third parts of the attributes were identified based on a review of relevant literature and 10 respondents who were interviewed for the first time. After a careful screening analysis and advice from academic professionals, 61 attributes were selected as the influential factors in hotel selection. The questionnaire was structured so that each hotel attribute was rated using a 7-point Likert scale, ranking from 1, least important to 7, most important. In the "strongly agree," in the "Importance factors" part and, in the last part of questionnaire travelers were asked about their accommodations, considering the three most important factors when they choose an accommodation.

#### 3.2 The sampling method

The target populations for this study were those international travelers who were staying overnight in Lanta Yai island. Data were gathered from hotels guests around the island by a self-administered questionnaire over a 10 days period in April 2011 from international travelers, traveling and staying overnight around Lanta Yai island. A traveler is defined as any individual who is a temporary visitor, possessing a fixed abode, traveling in the expectation of business or pleasure, staying overnight at a place other than his or her own home, and involving an exchange of money (Ananth et al., 1992).

The sample chosen in this study included international travelers. Using a systematic sampling approach, every second traveler walking past was approached for interview. The sample was composed of 20-25 travelers each day for each 10 days, generating a total 200 responses for the study. Respondents who completed the questionnaire were given a small Thai-snack as a complimentary gift.

#### 3.3 Data analysis

In this study, descriptive statistics including simple frequencies and mean ratings were computed on the respondents' demographic and travelling profiles, and on the 61 hotel



attributes. Exploratory factor analysis with VARIMAX rotation was employed on the data about the perceived importance of the 61 hotel attributes. The primary objectives of using factor analysis were: (1) to determine whether there were any significant differences in demographic groups and hotels/resort selection factors. Percentages and mean values were used to show the profile of the respondents and, (2) to identify important factors influencing the selection of hotels/resorts by international travelers. The determination of including a variable (attribute) in a factor was based on the factor loadings, Eigenvalues and the percentage of variance explained (Hair, Anderson & Black, 1995).

#### 4. Results

##### 4.1 Demographic and travelling characteristics of the respondents

A total of 200 travellers completed the questionnaire in the ten-day survey period (13 – 23 April 2011). The study shows that the demographic and travelling characteristics of the respondents (see table 4). The proportion of the respondents interviewed had nearly the same level; male 53.5 percent and female 46.5 percent. More than 60 percent of the respondents were aged under 35. With regard to the marital status, the result showed that the majority of the respondents are living with a partner (37.5 percent), 35.5 percent were single or never married, twenty-six percent were married and only 1 percent were divorced. While 70 percent of the respondents had no children and the rest (30 percent) had children, with an average age of two. The survey also indicated that the majority of the respondents (71 percent) had a university or postgraduate education. While the result showed that the majority of the respondents were employed (41 percent), 23.5 percent were in the student/pupil category. The income level also showed that more than 60 percent of the respondents had an annual income less than 60,000 Euro; only 13.5 percent had annual income over 60,001 Euro. Concerning the country of residence, more than 50 percent were of European origins, while the top four come from Sweden 27.4%, Germany 17.3%, Norway 10.7%, and France 8%, respectively.

Table 4: Demographic and travelling characteristics of the respondents

	Number	Percent
<b>Gender</b>		
Male	93	46.5
Female	107	53.5
Total	200	100.0

<b>Age</b>		
Less than 25 years old	44	22.0
26- 35 years old	86	43.0
36 – 45 years old	38	19.0
46 – 55 years old	23	11.5
56 – 65 years old	9	4.5
Total	200	100.0
<b>Marital Status</b>		
Single/Never married	71	35.5
Married	52	26.0
Divorced	2	1.0
Living with partner	75	37.5
Total	200	100.0
<b>Have children</b>		
Yes	60	30.0
No	140	70.0
How many children (Med(Min-Max)	2 ( 1-3)	
Total	200	100.0
<b>Educational</b>		
Less than Bachelor Degree	37	18.5
Bachelor Degree	73	36.5
Master Degree	66	33.0
PhD. Degree	4	2.0
Other	20	10.0
Total	200	100.0
Employed	82	41.0
Self-employed	13	6.5
Unemployed	20	10.0
Retired/renter	11	5.5
Government Officer	27	13.5
Student/pupil	47	23.5
Total	200	100.0

Annual Income Levels in Euro		
Under €20,000	64	32.0
€20,000 - €40,000	65	32.5
€40,001 - €60,000	43	21.5
€60,001 - €80,000	8	4.0
€80,001 - €100,000	7	3.5
Over €100,000	13	6.5
Total	200	100.0
Name your country		
Australia	9	6.00
Canada	3	2.0
Denmark	4	2.7
England	5	3.3
France	12	8.0
German	26	17.3
Iceland	5	3.3
Israel	3	2.0
Italy	2	1.3
Japan	1	0.7
Norway	16	10.7
Netherland	2	1.3
Singapore	1	0.7
Spain	1	0.7
Sweden	41	27.4
UK	3	2.0
USA	1	0.7
None	65	32.5
Total	200	100.0

As for the tourism behavior, most of the respondents came to Lanta Island for leisure and traveled with their partner/spouse or friends related to more than 70 percent. Some 51 percent of the respondents preferred a double bed and 28.5 chose King size beds. Thirty percent arrived at Lanta Island by speedboat, 24 percent arrived by van, and 19.5

percent arrived by hotel shuttle car or van. While most of the respondents (38.5 percent) had stayed at Budget Bungalow, 29.3 percent of the respondents had stayed at Medium – Tariff hotels/resorts, and less than 10 percent had stayed at High – Tariff A hotel or resort and preferred beach view room. More than 50 percent of the respondents preferred room rates less than 1,000 Baht. According to Figure 1, the top three inexpensive hotels/resorts, Lanta Island Resort (7 percent), Nice Beach Resort (6 percent), and Srilanta Resort (6 percent) were selected by the respondents, respectively. They are budget bungalows and medium – Tariff (3 star). Most of the respondents obtained hotel or resort information from friends and relatives, meaning friends/relatives had influenced their decision making in selection of hotels/resorts. Most of the respondents made reservations by e-mail and local agent. More than 60 percent had stayed in a hotel or resort 3 to 7 days.

Table 5: Consumers Behaviour

The main reason	Number	Percent
Business reasons	14	7.0
Leisure	111	55.5
Culture	14	7.0
Visiting friends and relatives	8	4.0
Health	3	1.5
Other	50	25.0
<b>Total</b>	<b>200</b>	<b>100.0</b>
<b>Traveling with</b>		
No one	17	8.5
Partner/Spouse	85	42.5
Friends	63	31.5
Co-worker	8	4.0
Family and/or relatives	27	13.5
<b>Total</b>	<b>200</b>	<b>100.0</b>
<b>How did you arrive to Lanta Island</b>		
By hotel shuttle car/van	39	19.5
By speed boat	60	30.0
By van	48	24.0

By rent car/motorbike	8	4.0
Other	45	22.5
<b>Total</b>	<b>200</b>	<b>100.0</b>
<b>Type of hotel/resort style</b>		
High-Tariff A (5-star)	18	9.0
High-Tariff B (4-star)	26	13.0
Medium-Tariff (3-star)	59	29.5
Boutique style	10	5.0
Budget Bungalow	77	38.5
Other	10	5.0
<b>Total</b>	<b>200</b>	<b>100.0</b>
<b>Room view</b>		
Beach view	140	70.0
Lake view	16	8.0
Garden view	13	6.5
Jungle view	12	6.0
Mountain view	7	3.5
Pool view	10	5.0
Other	2	1.3
<b>Total</b>	<b>200</b>	<b>100.0</b>
<b>Type of bed</b>		
Single bed	13	6.5
Twin bed	20	10.0
Double bed	102	51.0
King size bed	57	28.5
Triple bed	8	4.0
<b>Total</b>	<b>200</b>	<b>100.0</b>
<b>Room rate</b>		
Less than 1,000 Baht	103	51.5
1,001-2,000 Baht	32	16.0
2,001-3,000 Baht	44	22.0
3,001-4,000 Baht	20	10.0
Over 5,000 Baht	1	.5
<b>Total</b>	<b>200</b>	<b>100.0</b>

Accommodation's information from		
Friends and relatives	68	34.0
Media	5	2.5
Hotel/Resort website	36	18.0
Third party website	16	8.0
Local travel agent	34	17.0
Travel agent in your country	5	2.5
Travel fair and/or exhibition	3	1.5
Books and guides	19	9.5
Other	14	7.0
<b>Total</b>	<b>200</b>	<b>100.0</b>
Reservation by		
By telephone	10	5.0
By e-mail	87	43.5
By fax	5	2.5
By Hotel website	9	4.5
By Local travel agent	24	12.0
By travel agent website	16	8.0
Other	49	24.5
<b>Total</b>	<b>200</b>	<b>100.0</b>
Length of stay		
1-2 days	27	13.5
3-7 days	128	64.0
8-14 days	26	13.0
15-21days	11	5.5
22-30 days	8	4.0
<b>Total</b>	<b>200</b>	<b>100.0</b>

#### 4.2 The major factors influencing international travelers in selecting hotels/resorts

The perceived importance of the 61 hotel attributes was factor - analyzed, using principal component analysis with orthogonal varimax rotation, to identify the underlying dimensions, or hotel factors. The exploratory factor analysis had produced a five – factor solution, which captured 25 hotel attributes and appeared to explain 66 percent of the variance in the data. It produced a clear factor structure with relatively higher loading on the

appropriate factors. The higher loading signals the correlation of the variables with the factors on which they were loaded.

The results of the factor analysis, which suggested a five-factor solution, included 25 hotel attributes and explained 59.32 percent of the variance in the data with Eigenvalues greater than 1.0, and factor loadings greater than 0.50. The factor analysis in this study proved to be acceptably valid with the following four observations. Firstly, the result of the one-tailed significance test of the correlation matrix showed that more than 50 percent of correlation coefficients were greater than 0.30 in absolute value, indicating that the inter – correlations among the 25 attributes were strong (Noursis,1994). Secondly, the overall significance of the correlation matrix was 0.000 suggesting that the data matrix had sufficient correlation to factor analysis. It appeared unlikely that the population correlation matrix was an identity and the use of factor analysis was considered appropriate. Thirdly, the Kaiser – Meyer – Olkin (KMO) overall measure of sampling adequacy was 0.957, which was meritorious (Kaiser, 1974). Since the KMO value was above 0.80, the variables were interrelated and they shared common factors. Lastly, the communalities ranged from 0.61 to 0.85 with an average value above 0.77, suggesting that the variance of the original values were fairly explained by the common factors. The results of the factor analysis produced a clean factor structure with relatively higher loadings on the appropriate factors. Most variables loaded heavily on one factor and this reflected that there was minimal overlap among factors and that all factors were independently structured. The higher loadings signaled the correlations of the variables with the factors on which they were loaded. Reliability analysis (Cronbach's Alpha) was conducted to test their liability and internal consistency of each factor. The results showed that the Alpha coefficients of the five factors ranged from 0.711 to 0.909, well above the minimum value of 0.50 that is considered acceptable as an indication of reliability for basic research (Nunnally, 1967). Table 8 shows the results of the factor analysis in terms of: the factor name, the retained items, the factor loadings, the Eigenvalues, the variance explained by the factor solution, the communalities, and the Cronbach's Alphas. The five hotel selection factors were named: Safety and Security – F1, Room Quality – F2, Staff Service and facilities Quality – F3, Value – F4, and Location – F5.

Having identified the five factor-loadings, we performed the multiple regression analysis to investigate whether and to what extent the independent variables (five hotel factors) exert significant influence on the dependent variables. To investigate the relative impact of the hotel factors in influencing travelers' selection hotel, the five orthogonal factors were used in a multiple regression analysis.

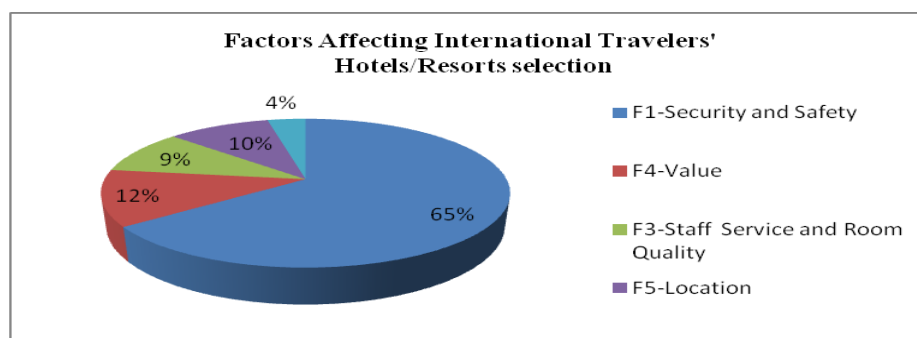


## 5. Discussion

According to the profile of the international travelers, from 230 respondents interviewed had nearly the same number of males and females (see Table 8). The majority of international travelers were in aged group of 26 to 35 years old, living with a partner and single/never married who obtained no lower than a Bachelor degree and were employed. In terms of income, over 80 percent of the respondents earned less than 60,000 Euro per year. Their average length of stay was between 3 – 7 days. Most of the respondents (more than 50 percent) were of European origins, while the top four come from Sweden, Germany, Norway, and France.

As for the tourism behavior, most of international travelers travel with a partner/spouse. Moreover, friends/relatives have influenced their decision-making in selection of hotels/resorts. Mostly international travelers came for leisure purposes and stayed in Budget Bungalows and Medium – Tariff (3 star) hotels/resorts, price less than 1,000 Baht/night, and preferred double bed and beach view room.

Figure 1: Values percent of factors rating by international travelers in Lanta Yai Island



In terms of the important factors, the findings revealed that ‘Security and Safety’ was the most important factor influencing the selection of hotels and resorts by international travelers. Besides, ‘Value’ was ranked as the second most important factor, followed by ‘Staff Service Quality’, ‘Location’, and ‘Room and facilities Quality’, respectively.

In summary, the findings revealed that ‘Factor 1- Security and Safety’ was the most important factor for international travelers especially ‘Security personnel are responsible’, ‘safety box available’, ‘fire alarm’, ‘chain lock’, ‘bright hallway and public areas’, ‘sprinkle system’ and ‘visible staff presence,’ which they give more importance in making a decision for selecting hotels/resorts. This study was associated with the study by Marshall (1993) and Clow et al., (1994) revealing that security was cited as one of the most important criteria in selecting

a hotel. Tourists want to be safe and secure in their accommodation, and are willing to pay for this. The safety and security system may differentiate one property from its competition, hence becoming a competitive strategy that helps a hotel to gain tourists' confidence and trust.

Secondly, 'Factor 4 - value' is also important. The results show that international travelers give importance to the price and value for money, the second most important in determining selection of an accommodation. Regarding the tourists' behavior, most of them selected accommodation below standard, Budget Bungalow 38.5% and Medium – Tariff Hotel (3 star) 29.5% with the price less than 1,000 Baht/night. It can be seen that international travelers who travel in Lanta Yai Island were more conscious of the price of rooms. Further, hotel food and beverage value for money, and hotels providing a comfortable ambience, associated with the previous study by Ananth et al., (1992) stated that price and quality were the important considerations for the leisure travelers.

The factor 'Value,' which is associated with the travelers' perceptions about the value for money, has three items: room value for money, hotel food and beverage value for money, and comfortable ambience of the hotel. Customers are now becoming more practical and taking a cautious approach toward discretionary spending (Sellers, 1991). They are cutting back and looking for ways to buy more for less, and are becoming more demanding in the purchase process. Power (1991) mentioned that the marketing 'watchword' for the 1990s is 'value' as customers are demanding the right combination of product quality, fair prices, and good services. In addition, since the hotel industry is highly competitive and homogenous in terms of services and facilities, the availability of alternatives to the travelers can be regarded as important attributes in a customers' future purchase behavior (Kutson, 1998; Burton, 1990). As Lanta Yai Island has been a place of oversupply of hotel rooms, hoteliers should pay more attention to enhancing the value of their offerings to achieve a competitive advantage. A positive image is one tactic to achieve a competitive advantage (Porter, 1980). A strong corporate image is an important determinant of service quality (Gronroos, 1982). Further, to develop value added products and services for hotels/resorts, management should provide clean sanitized facilities with a comfortable rooms. Cleanliness/sanitation is the basic facility any visitor would expect to experience at high level. Freshly cooked food and handsome breakfasts served for a reasonable price are much appreciated by customers. For food and beverage value, hotel/resort should provide a variety of high quality meals, more suitable to their taste buds. Hotel/resorts should cook and prepare food carefully, hygienically, present it

properly and on time. Lastly, hotels/resorts should provide an atmosphere of safety, comfort and cleanliness around the hotels/resorts.

Thirdly, in this study, it found that Factor 3- Staff Service Quality - is the third important factor. The study indicated that international travelers give importance to employee attitudes when they make decisions about hotel choices as follows; Check-in/Check-out are efficient, Staff are helpful, Staff are polite and friendly, Staff provides efficient service, Staff understand their requests, and Staff have multi-lingual skills. In order to get the customers' satisfaction to lead to repurchase, the hotels/resorts should provide Check-in/Check-out efficiency. Do not make customers wait too long because they may be tired from traveling. Moreover, employee responsiveness and a genuinely helpful attitude are very important in the hospitality industry as being a 'people oriented' industry. All the staff should be very courteous to whomever they contact. It is very welcoming if the staff greets guests with a smile on the face. It makes the guest feel comfortable and satisfied. This is also according to the respondents' comments that they preferred to travel and stay in Lanta Yai Island. Hotels will benefit more if staffs possess multilingual skills such as English, German or French. Thus, they can communicate well and understand what customers want. Furthermore, they should be thoroughly professional and provide essential skills in their jobs so they can provide efficient service for the customers. Thus, it is mandatory to provide the staff with necessary skills and knowledge through various training programs in an effort to ensure first-rate service to retain customers. This study was associated with the study by Cadott and Turgeon (1988) stating that attitude of employees, cleanliness and neatness, quality of service and employee knowledge of service are the most frequent factors mentioned by travelers. The findings of this study also supported the notion that providing the high – quality service has become an increasingly important issue for hoteliers. An excellent quality of service and facility offered to customers is perceived to be the means by which the service organization can achieve a competitor advantage, differentiate itself from competitors, increase existing customers, as well as attract new ones (Watson et al., 1992; Lewis, 1993; Smith, 1993).

Fourthly, the factor 5 'Location' was found to represent the fourth most important factor for international travelers when making decisions on hotels/resorts choices. The results of the study indicated that the prime locations such as 'location close to the beach', 'location close to shopping center/town' and location 'close to the jungle' should be highly considered as the correct location areas for hotel/resort owners and investors for future projects. One of the findings of this study agreed with the previous study by Lewis and Chambers (1989) and McCleary et al., (1993) also finding that location is the most important

factor influencing hotel selection by all travelers. Upon further investigation, international travelers most often prefer the hotels/resorts with good quality (0.910), close to the beach, while they placed the least importance on the hotels/resorts being close to the jungle. This may explain that the reason international travelers chose to travel to the island. It can be seen that the hotels/resorts that are located near to the beach enjoy greater advantage from the competitors. On the other hand, for the hotels/resorts that are located some distance from the beach, they can provide other advantageous locations close to the jungle or shopping center/town and should provide lake views, garden or jungle views in lieu of not possessing an ideal beach location.

Lastly, 'Factor 2 – Room and facilities Quality', the findings showed that 'Room Quality' was considered to be the least important with the sub factors as follows; 'bed/mattress/pillows comfort', 'Room comfort', 'Hotel and Room cleanliness', 'Room is quiet', and 'Room Facilities' are the most important factors for international travelers making a choice selection. The findings of this study may relate to the previous study by Knutson (1998; Barsky and Labagh (1992), McCleary and Weaver (1992); Gilbert and Morris (1995); Hueng et al., (1996) stating that the cleanliness, quietness and facilities offered are the important considerations for travelers in lodging selection. Ananth et al., (1992) also find that room amenities such as an in-room temperature-control mechanism, soundproof rooms and firm mattresses are important to travelers. Additional resources should, therefore, be directed to improving the quality of rooms including room set-up, cleanliness, quietness, and room temperature control. It is important to note that even some of the hotel factors are less significant in explaining travelers deciding hotels/resorts choices selection. However, hoteliers should still maintain high standards in relation to these factors in order to meet basic needs of travelers. Each traveler has some basic level of expectations regarding these factors, but if the traveler's expectations are not met, or exceeded, his or her perception about service quality and satisfaction could be affected (Oliver, 1981; LeBlanc, 1992).

## 6. Conclusion

This study has identified the five hotel factors, which are deemed important to travelers. The five hotel factors are 'Safety and Security', 'Value', 'Staff Service Quality', 'Location' and 'Room & Facilities Quality' respectively, and are considered to be the influential factors in determining travelers' hotel choices.

The findings are considered useful to the hotel industry as they provide a clear indication on how to improve their service provisions and delivery channels in Lanta Yai Island

hotel industry. This study provides useful and effective ways for hotel managers to identify the potential problems that are likely to occur, and to understand why. Once the hotel attributes in relation to customers' requirements are clearly identified and understood, hotel managers are more likely to be able to anticipate and cater to their customers' desires and needs, rather than merely reacting to their dissatisfaction (Oberoi and Hales, 1990). Lanta Yai Island hotels are competing fiercely for a larger market share because they have a limited base of tourists and customers, thus the marketing focus for hoteliers is to increase the number of customers and to prolong their length of stays by meeting their needs more effectively (Heung et al., 1996). A better understanding of the phenomenon of repeat purchase would help hoteliers to develop customer loyalty for their products and services.

As Security and Safety has been identified as the most influential in determining customers' selecting hotels in Lanta Yai Island, this is what hotels in Lanta Yai Island should consider while developing marketing strategies for the market because security and safety are among the most basic human needs. Even if the hotel is comfortable, if there is no safety, it is not worthwhile staying there. Therefore, the hotel sector should give more importance to safety of life and properties of tourists staying in hotels/resorts. There should be information on procedures in case of an emergency, such as multilingual emergency notices. In addition, there should be printed instructions for summoning assistance during an emergency at night, means of securing bedroom doors inside and out. Availability of life and properties protection and staff onsite or on call 24 hours a day, adequate light for safety and comfort in all public areas, sufficient light on stairways and landings at night, are additional safety measures that should become mandatory in Lanta Yai hotels and resorts. Most important is the night duty and day duty personnel to look after the hotel to create a safe and secure atmosphere for tourists. One of the results of this study was associated with the study by Atkinson (1988), which mentions that cleanliness, security, value for money, courtesy and helpfulness of staff are found to be key attributes for travelers in hotel choice selection.

The other hotels' factors such as 'Value', 'Staff Service Quality', 'Location' and 'Room & Facilities should not be ignored. Although our study finds that these hotel factors are found to be less important in influencing international travelers making decisions about hotel choice selection, hoteliers should maintain the standards of these services and facilities to meet the basic needs of the international travelers. Hoteliers should be aware that even though these factors are not the central factors leading to customers' choice of the hotel, the absence or failure of these factors to meet customer desires and expectations could result in

customers' dissatisfaction. As Pizam (1994) puts it: Having more of it will not satisfy anyone, but when it breaks down, suddenly everyone becomes dissatisfied.

This research has provided hotel companies with some useful information regarding international leisure travelers. Hotel companies must recognize what customers feel is important for selecting a hotel. International traveler consumers find that security and safety, value, staff service quality, location and room quality are critical in their decisions to select a hotel. Of course, location is hard to control once the hotel has been built, but perhaps hotel operators can try harder to improve the hotel's view, such as by providing a beach view, garden view and/or jungle view and offer convenient accessibilities to the beach. As for the hotel operators, they must ensure that it should be secure and safe enough for customers' physical activities and environment when staying at their properties.

## 7. Recommendations for Further Studies

The researcher recommends the following further studies:

7.1 It would be of beneficial to conduct research by a survey or focus group interviews. With this method, a researcher may select a group of individuals to discuss and comment on important factors influencing the selection of hotels/resorts from their personal experiences and perspectives. The benefit of focus group may help a researcher gain several perspectives in details about each of important factors influencing them while choosing hotels/resorts.

7.2 The investigation has only been done in some areas at Lanta Yai Island, while a further study all over the island could provide more interesting data.

7.3 The limitations of language in the questionnaire which were provided only in English. The survey could be wider and more comprehensive if there were other languages such as German and French.

7.4 This study had limited time to survey and interviews the respondents due to the low season of tourism in Lanta Yai Island and the lack of cooperation from some hotel managers and respondents. It could also be good method to survey respondents by conducting an Internet survey. By making the survey accessible online, the data collection becomes instantaneous and available to the respondents any time of the day. Respondents can answer the survey in their own time, thus increasing the likelihood that they will complete it at their convenience. By incorporating certain checks and balances, responses can be quickly verified if necessary, resulting in more accurate answers. Most importantly, it is a low cost

method of gathering data which is especially important for an educational program's research paper.

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