

**Management Guidelines for Contemporary Thailand Tourism and
Hospitality Industry with the Challenging Growth of Sharing Economy Practices**
แนวทางการบริหารจัดการอุตสาหกรรมท่องเที่ยวและบริการไทยร่วมสมัยในประเด็นท้าทาย
จากการเติบโตของระบบเศรษฐกิจแบ่งปัน

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Abstract

The objective of this research is to present the management guidelines for Thai contemporary tourism and service industry in the challenging issue from the growth of sharing economy system. This study involves the use of mixed methods research by using the quantitative research in 2 sample groups, which involves 203 foreign tourists and 478 Thai tourists or the total of 681 tourists. By use of exploratory factor analysis: EFA, Kaiser-Meyer-Olkin Measure (KMO), Bartlett's Test of Sphericity and the result show as Structural Equation Model: SEM.

The management guideline for Thai tourism and service industry to create a balance, reduce conflicts, and be accurate according to the law and the rule of law for sustainability

and the design of polity to be in accordance with the business operation in Thailand, accommodation, vehicle, and individual that conducts the tourism business under the sharing economy system must register with the government sector and pay for tax. The accommodation business in sharing economy system must register with the government sector and provide the service for not exceeding 180 days per year with no more than 30 rooms in possession. The tax payment must be more than normal hotels for 10 percent of the revenue. The transportation and guiding business in economy system must register with the government sector. There must be the specific driving license for providing a service in sharing economy system with the tax payment according to the revenue received.

Keywords : Management, Startup, Sharing Economy Practices, Tourism and Hospitality Industry, Contemporary Tourism

บทคัดย่อ

การวิจัยครั้งนี้มีวัตถุประสงค์ เพื่อนำเสนอแนวทางการบริหารจัดการอุตสาหกรรมท่องเที่ยวและบริการไทยร่วมสมัย ในประเด็นท้าทายจากการเติบโตของระบบเศรษฐกิจแบ่งปันการศึกษาครั้งนี้ใช้วิธีวิจัยเชิงผสมผสานโดยการวิจัยเชิงคุณภาพ 2 กลุ่มตัวอย่างคือ การวิจัยเชิงปริมาณข้อมูลนักท่องเที่ยวชาวต่างชาติ 203 คนและนักท่องเที่ยวชาวไทย 478 คน รวมทั้งหมด 681 คน

แนวทางการบริหารจัดการอุตสาหกรรมท่องเที่ยวและบริการไทยให้เกิดความสมดุล ลดความขัดแย้ง ถูกต้องตามกฎหมายและนิติธรรมเพื่อความยั่งยืนสืบไป การออกแบบนโยบายเพื่อให้สอดคล้องตามการดำเนินการกิจการในประเทศไทย ที่พัก รถยนต์และบุคคลที่ดำเนินธุรกิจด้านการท่องเที่ยวรายได้ระบบเศรษฐกิจแบ่งปันต้องขึ้นทะเบียนกับภาครัฐและมีการเสียภาษีอย่างถูกต้องโดยธุรกิจที่พักในระบบเศรษฐกิจต้องขึ้นทะเบียนภาครัฐ และสามารถให้บริการได้ไม่เกิน 180 ต่อปี และมีจำนวนห้องพักในครอบครองไม่เกิน 30 ที่พัก โดยมีการเสียภาษีมากกว่าโรงแรมที่พักปกติร้อยละ 10 ของรายได้ ธุรกิจด้านการเดินทางและการนำเที่ยวในระบบเศรษฐกิจต้องขึ้นทะเบียนภาครัฐ มีใบขับขี่เฉพาะสำหรับการให้บริการในระบบเศรษฐกิจแบ่งปัน ชำระภาษีตามรายได้ที่ได้รับ

คำสำคัญ : การจัดการ วิสาหกิจเริ่มต้น เศรษฐกิจแบ่งปัน การท่องเที่ยวร่วมสมัย

Introduction

Tourism and hospitality industry has become the industry that has great importance to the driving of economy in almost all countries in the world. It has quickly grown to become the main product in the international trading system and is the industry that links with

many relevant business sectors, such as accommodation, tourism, airline, restaurant, and souvenir. In addition, the consumer's behaviors are changing in terms of lifestyle, life target, and how to choose things with the increase of need to share objects and stories between each other. Hence, the new business in the form of online sharing or what is formally called as Sharing Economy occurs. The business can use the technology and the digital information to pair between customers and service providers. The service providers can allocate the time to share products or services; whereas, the consumers can select and gain access to products or services without spending money for ownership (Wilaiphon Thawilapphanthong, 2015).

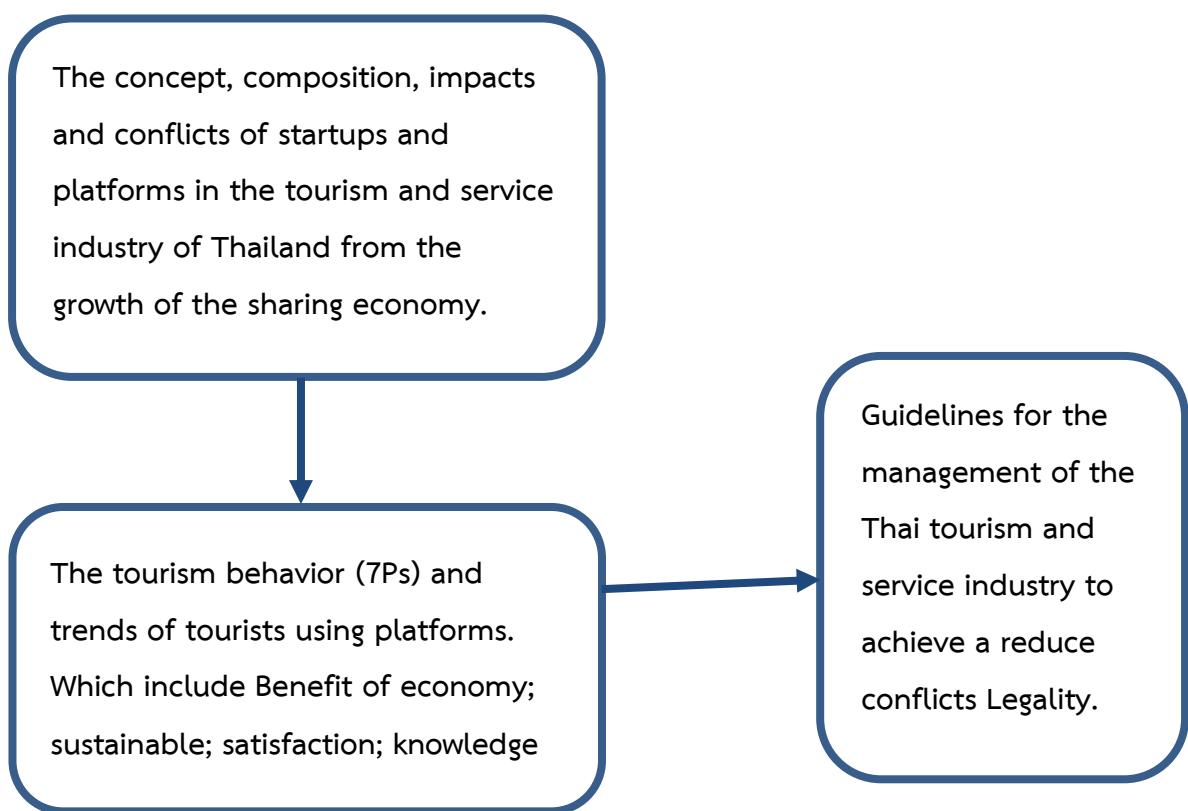
Currently, Sharing Economy has become popular in tourism industry in 4 main branches, which are traveling, accommodation, food, and travel activity in various forms. Which Food and Travel distracted by technology create many startup then conflict with the Thai laws. The number of tourists in Sharing Economy Practices has the tendency to become higher in Thailand, causing more people to see the opportunity to generate income to the type of economy that receives popularity around the world and providing more varieties of service in terms of accommodation, traveling, food, and guiding. In terms of limitation, it was found that the main factor that is the limitation of the nationwide, including Thailand, is the law that was formerly enacted in which it was not support Sharing Economy Practices and did not conform to the current situations as well as rules and regulations, such as Hotel Act, Building Control Act, and public transportation law, causing the operation in Sharing Economy to halt. Another significant limitation is the prevention of Sharing Economy Practices from creating negative affects to the service providers in the traditional form, such as hotel or public transportation, with obvious law enforcement, including taxes that must be paid to the government sector.

According to the reasons, the researchers are interested to study the context, component, impact, conflict of start-up and contemporary platform that occurs in tourism and hospitality industry of Thailand from the growth of Sharing Economy Practices, and behavior and tendency of tourism behavior in tourists in the use of these contemporary platform in order to present the management guidelines for Thailand tourism and hospitality industry to become balance, reduce conflicts, and be accurate according to the law and the rule of law for sustainability.

Objective

- (1) To study the context, component, impact, and conflict of start-up and contemporary platform that occur in tourism and hospitality industry of Thailand from the growth of Sharing Economy Practices;
- (2) To study the behavior and the tendency of tourism behavior in the use of contemporary platform;
- (3) To present the management guidelines Thailand tourism and hospitality industry to become balance, reduce conflicts, and be accurate according to the law.

Conceptual Framework



Literature Review

The tourist experience is changing, becoming more variable, more proactive and with a growing relation with identity-making representations, and young people are more open to global solicitations. To recall the main attributes of Millennials described quoting Jordan (2016), which this group look for Connectivity, Interaction, Sharing and Smart consumption.

In order to get this market, able understand their attributes and their differences in terms of age groups, source market, country of origin, and life experiences and innovate services and products so that it is possible to personalize solutions, since Millennials always look for customizable travels and services and lastly, engage with the sharing economy, since it is increasingly.

Botsman and Rogers (2011), Botsman (2015) and Gansky (2010), where “sharing” is used as a diffuse concept describing contact and transactions between individual consumers. Frenken et al. (2015) define sharing is about consumer-to-consumer platforms and not about renting or leasing a good from a company (business-to-consumer). Sharing is about more efficient use of physical assets and not about private individuals delivering each other a service. After all, physical goods can go unused, but people cannot. Internet platforms that bring consumers together to provide each other with services represent the on-demand economy. The platform is a generic “ecosystem” able to link potential customers to anything and anyone, from private individuals to multinational corporations. Everyone can become a supplier of all sorts of products and services at the click of a button. This is the real innovation that digitalization and digital platforms have brought us. The concept of “sharing economy” should be distinguished from what is traditionally called “sharing”. The essence of sharing is that it does not involve the exchange of money. Sharing only happens in the absence of market transactions.

Startup Thailand in infrastructure including place, communities, and facilities are provided as learning source and meeting centers for idea exchange, with the main purpose to support startups. Worapongdi (2017). Professional service provide and offer services to assist startup entrepreneurs in particular. Incubator is large business to grow further concentrate on business incubation. Regarding to this research startup that relate to tourism industry under sharing economy.

Research Methodology

In the research on management guidelines for contemporary Thailand tourism and hospitality industry with the challenging growth of Sharing Economy Practices, by using mixed research methodology. The Exploratory Factor Analysis was used to analyze the relationship of exogenous variables, which were the experiences of staying in the product in Sharing Economy Practices, consisting of 1) Economic Benefit; 2) Sustainability; 3) Enjoyment;

4) Social Relationship; and 5) Attitude; the marketing mix on experiences of platform used and product selection in Sharing Economy Practices, which were 1) Product; 2) Price; 3) Place; and 4) Promotion; and the behavioral trends in the use of product in Sharing Economy Practices in terms of customer satisfaction towards the use of accommodation.

Research Result

The Sharing Economy Practices have played more roles in tourism and hospitality industry, the impact on tourism and hospitality business will be different from place to place because some hotels might not use this group of customers. This group of people mostly uses about 1-3 rooms, not exceeding 10 rooms, which is less likely to occur, depending on the group of consumers. That is to say, most tourists are FIT (Foreign Independent Tour) of not exceeding 5 persons. If more than this number, most rooms in Sharing Economy Practices will not be enough. The tourism business in Sharing Economy Practices will directly affect FIT (Foreign Independent Tour). However, some hotels might not be affected. Those who come in group will receive less impact. Some groups of FIT (Foreign Independent Tour) do not prefer to stay in tourism business in Sharing Economy Practices. If they are adults, they would want to receive services that are more convenience.

According to the data analysis of contemporary platform user of 478 Thais and 203 foreigners, it was found that most Thai tourists were females at the age of 21-30 years old. The secondary group of foreign tourists were 31-40 years old; whereas, the secondary group of Thai tourists were lower than 20 years old. Most foreign tourists had agriculture career; whereas, Thai tourists were service providers and others were from school age. The objective of traveling was for leisure with the staying period of 2-4 days. Foreign tourists preferred to use the service of business in Sharing Economy Practices and selected the accommodation in Sharing Economy Practices that can saved more travel budget; whereas, Thai tourists can select more varieties of accommodation.

For behavioral trends in the use of product in Sharing Economy Practices in terms of customer's satisfaction towards the use of accommodation of foreign tourists, if there is the necessity to use this product again, they will think about the product first and will introduce the product in a good aspect to other people in which the cost will be higher if changing to use the service of other products. Meanwhile, Thai tourists who were satisfied

with the service of the product will introduce the product in a good aspect to other people. They also felt good from making the decision to use the service from the product.

Therefore, the factor of experiences on the staying in the product of Sharing Economy Practices that influences or affects the behavioral trends in the use of product in Sharing Economy Practices in terms of customer's satisfaction towards the use of accommodation can explain the mutual impact that occurred to Thai tourists only. The factor of marketing mix influenced or affected the behavioral trends in the use of service of the product in Sharing Economy Practices in terms of customer's satisfaction towards the use of accommodation can explain the mutual impact. The factor of experiences on the staying in the product of Sharing Economy Practices influenced or affected the factor of marketing mix, which can explain the mutual impact of both Thai and foreign tourists.

According to the Structural Equation Model (SEM) for empirical model testing according to the hypothesis of marketing mix and the experience of staying in the product of Sharing Economy Practices that affects or influences the behavioral trends in the use of product in Sharing Economy Practices in terms of customer's satisfaction towards the use of accommodation as mentioned above, the relationship between variables can be shown in Figure 1.1 and Table 1.1

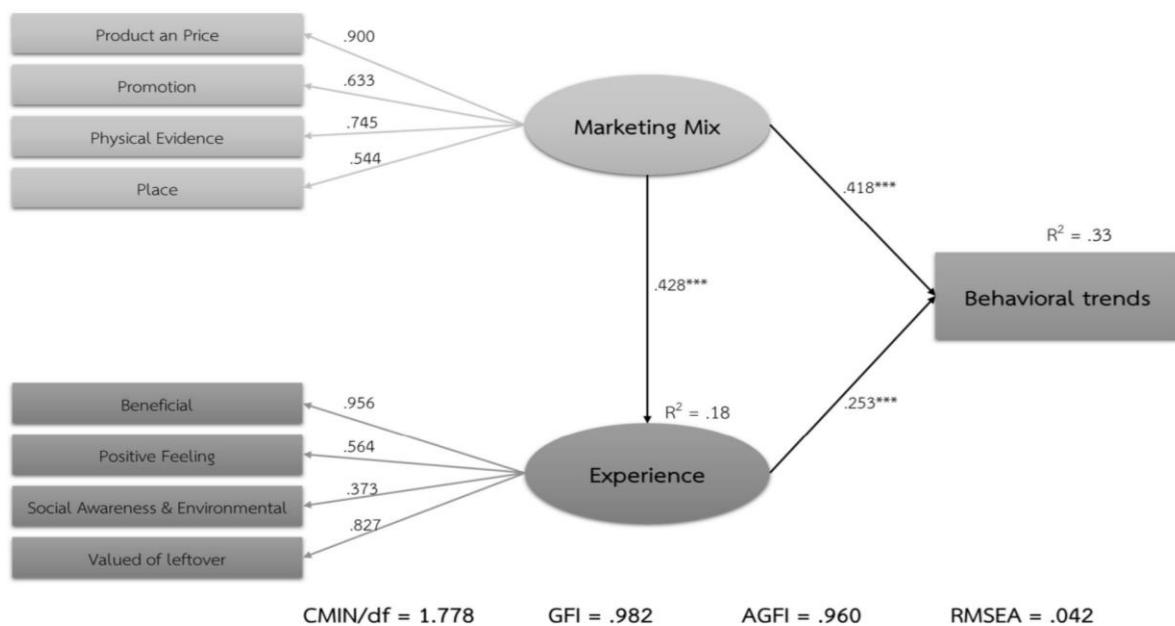


Figure 1.1 Summary of Test Result of Relationship between Variables

Table 1.1 Statistics of Conformity of Component Model with Empirical Data

Index	Criteria	Before Model Adjustment		After Model Adjustment	
		Statistics	Consideration Results	Statistics	Consideration Results
CMIN/df	< 2.00	5.683	Not Passed	1.778	Passed
P-Value of CMIN	< 0.05	.000	Passed	0.000	Passed
GFI	> 0.90	.930	Passed	.982	Passed
AGFI	> 0.90	.874	Not Passed	.960	Passed
AMSEA	< 0.05	.103	Not Passed	.042	Passed

Test Result of Research Hypothesis

Table 1.2 Relationship between Variables (Parameter)

Hypothesis	Parameter		Standardized	P
H1	Experience	---> Behavioral trends	0.418***	0.000
H2	Marketing Mix	---> Behavioral trends	0.253***	0.000
H3	Marketing Mix	<--- Experience	0.428***	0.000

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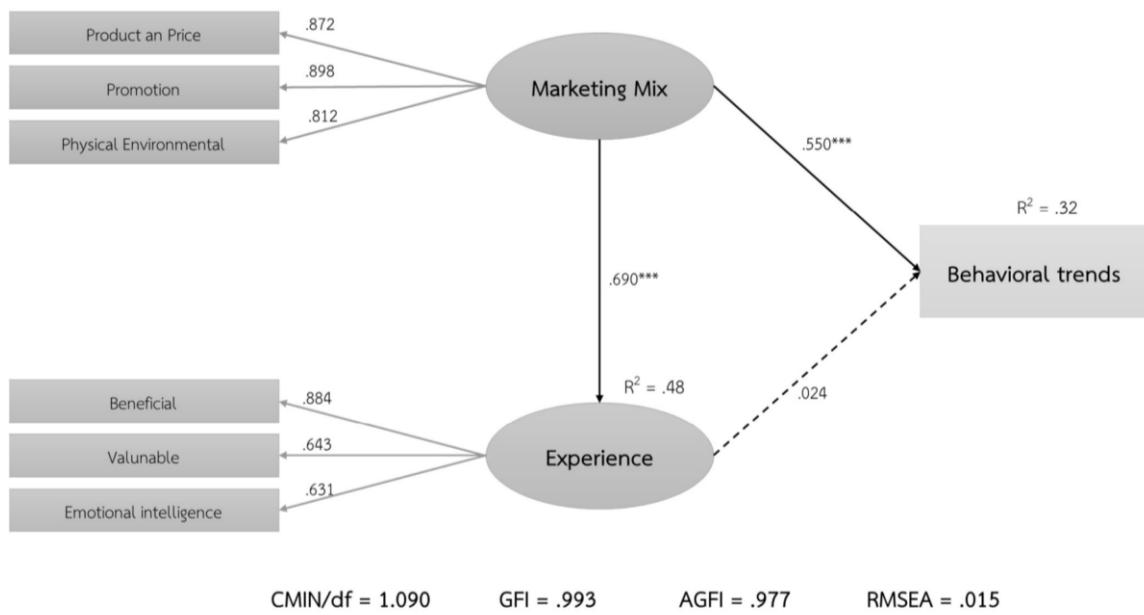


Figure 1.2 Summary of Test Result of Relationship between Variables

Table 1.3 Statistics of Conformity of Component Model with Empirical Data

Index	Criteria	Before Model Adjustment		After Model Adjustment	
		Statistics	Consideration Results	Statistics	Consideration Results
CMIN/df	< 2.00	3.939	Not Passed	1.090	Passed
P-Value of CMIN	< 0.05	.000	Passed	.000	Passed
GFI	> 0.90	.966	Passed	.993	Passed
AGFI	> 0.90	.920	Passed	.977	Passed
AMSEA	< 0.05	.088	Not Passed	.015	Passed

Test Result of Research Hypothesis

Table 1.4 Relationship between Variables (Parameter)

Hypothesis	Parameter		Standardized	P
H1	Experience	--->	Behavioral trends	0.024
H2	Marketing Mix	--->	Behavioral trends	0.550***
H3	Marketing Mix	<---	Experience	0.690***

The management guidelines for Thailand tourism and hospitality industry to become balance, reduce conflicts, and be accurate according to the law and the rule of law for sustainability, the design of policy to conform with the business operation in Thailand, accommodation, car, and individual that conducts the tourism business under Sharing Economy Practices must register with the government sector and pay tax legally. The accommodation business in Sharing Economy Practices must register with the government sector and can provide the service in not exceeding 180 days per year with not exceeding 30 rooms in possession. The tax will be charged more than the normal hotel by 10 percent of revenue. The travel and guiding business in Sharing Economy Practices must register with the government sector with specific driver license to provide the service in Sharing Economy Practices and the tax is paid according to the revenue generated.

Discussion and Suggestion

The tourism industry in Sharing Economy Practices and the tourism and hospitality industry of Thailand had grown rapidly because the service provider had generated revenue from wastes and had paired with things that were existing in the current market in which the revenue was generated according to the characteristic of the project within specified period with no continuous obligation. People of all genders and ages can gain access into this business to generate one's own income, which can respond to the needs of service provides because the price of these products and services are lower than the market price and can be found in the area that oneself needs to use the service. The rapid growth of Sharing Economy in tourism industry can generate more revenue than the business because there is no investment. Therefore, many foreigners have come to conduct the business in the country because the policies of the government sector does not conform to the start-up and the contemporary platform that occurs in tourism and hospitality industry of Thailand from the growth of Sharing Economy Practices. Many businesses have occurred in Sharing Economy Practices due to the inability of the policies to keep up with the technology in which the businesses have played a role and created an impact to the former businesses. When considering the business context, it was found that the business competition in terms of marketing is in a very high level because most operational areas have Foreign Independent Tour (FIT). The travel agencies need to adapt themselves due to the intervention of technology. The travel agencies cannot be offline only. It needs to

be online as well. In offline businesses, there is also a group of people, like elders who do not online all the times. They still prefer to make a call. Therefore, the travel agencies are still using the former procedures to maintain the base. That is to say, the businesses must adapt themselves to the technology hard and fast. The hotel industry in Thailand has established the standard foundation for star rating. The accommodation in the star rating means the hotel with license in which the consumers and the tourists do not pay much attention. Those who come in group are not interested in the place and the price. The price affects the decision-making of the consumers, but the service is the telling of repurchasing.

For behavioral trends in the use of product in Sharing Economy Practices in terms of customer's satisfaction towards the use of accommodation of foreign tourists, if there is the necessity to use this product again, they will think about the product first and will introduce the product in a good aspect to other people in which the cost will be higher if changing to use the service of other products. Meanwhile, Thai tourists who were satisfied with the service of the product will introduce the product in a good aspect to other people. They also felt good from making the decision to use the service from the product.

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Suggestions for Future Research

1. This research has presented the information in terms of marketing, which is information on the behavioral trends of Thai and foreign tourists, suggestions on marketing mix, and experiences on platform used and product selection in Sharing Economy Practices for doing the marketing.

2. This research can be used to improve the tourism service from the behavior in the use of product in Sharing Economy Practices in terms of customer's satisfaction towards the service.
3. This research has given suggestions about management guidelines for Thailand tourism and hospitality industry to become balance, reduce conflicts, and become accurate according to the law and rule of law for sustainability.

Conclusion

According to the research, it was found that the component of conflicts between start-up, contemporary platform, and government that occurred in tourism and hospitality industry of Thailand from the growth of Sharing Economy Practices came from the easy access into contemporary platform. The start-up can establish fast with low cost and the customers can be reached via contemporary platform. The former businesses cannot compete in terms of price with the start-up in these contemporary platforms since the government does not have the policy to support the start-up in contemporary platform. Hence, there is no tax. However, this is not for all groups of customer since there might be the matter of damage to the assets that might occur and the matter of security due to the reliability of the Lessee and the Lessor. Also, the start-up in contemporary platform can only respond to the need of travelers in small group only.

The management guidelines for Thailand tourism and hospitality industry to become balance, reduce conflicts, and be accurate according to the law for sustainability, the design of policy to conform with the business operation in Thailand, accommodation, car, and individual that conducts the tourism business under Sharing Economy Practices must register with the government sector and pay tax legally. The accommodation business in Sharing Economy Practices must register with the government sector and can provide the service in not exceeding 180 days per year with not exceeding 30 rooms in possession. The tax will be charged more than the normal hotel by 10 percent of revenue. The travel and guiding business in Sharing Economy Practices must register with the government sector with specific driver license to provide the service in Sharing Economy Practices and the tax is paid according to the revenue generated. Not only taxation, the regular business had distracted by sharing business. The government must consider as the important factor to launch policy support in Sharing Businesses.

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