INFLUENCING FACTORS OF CONSUMER DECISION MAKING IN CHOOSING A HOTEL

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ABSTRACT

The purpose of this research is to examine what factor can influence consumer decision making in choosing a hotel.

The research used a quantitative approach. Data was collected by distributed questionnaire in both paper and online form. The survey was conducted from 153 respondents.

The study revealed that personal belief and reference have a strong influence on consumer decision making in choosing a hotel. Moreover, it was proved that availability of alcohol in a hotel has no effect on consumer decision making in choosing a hotel.

KEY WORDS: Hotel, Consumer decision making, Personal belief influence, Reference influence, Alcohol
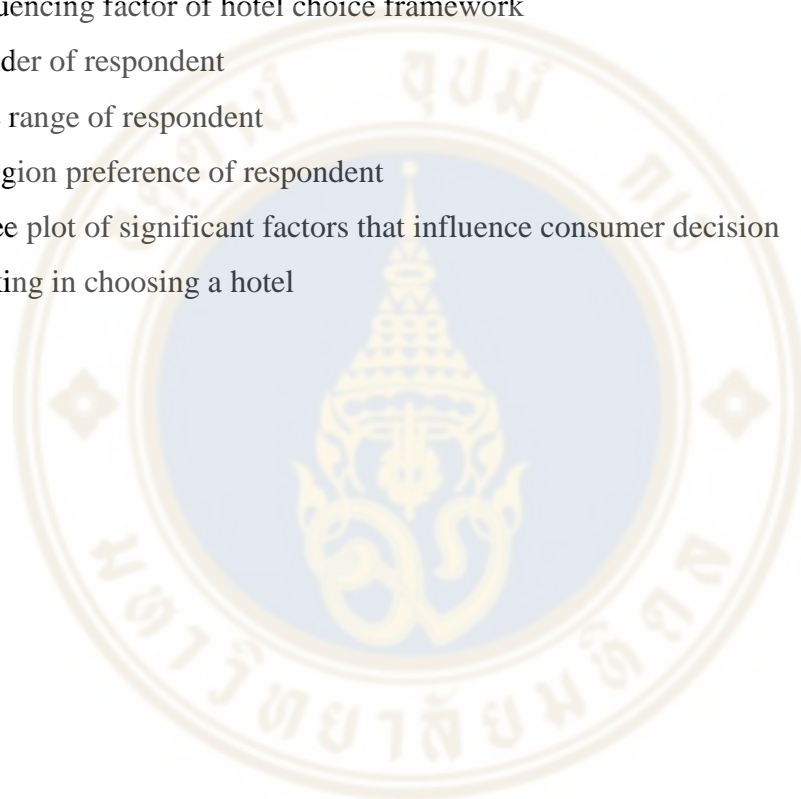
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CHAPTER I

INTRODUCTION

Thailand is well known among travelers around the world as one of the most attractive and value for money destination. Tourism industry in Thailand has been growing almost every year and generates a lot of revenue to the country. Figure1.1 shows that in year 2013, Tourism industry contributed THB1, 074.0 billion to GDP which is 9.0% of total GDP.
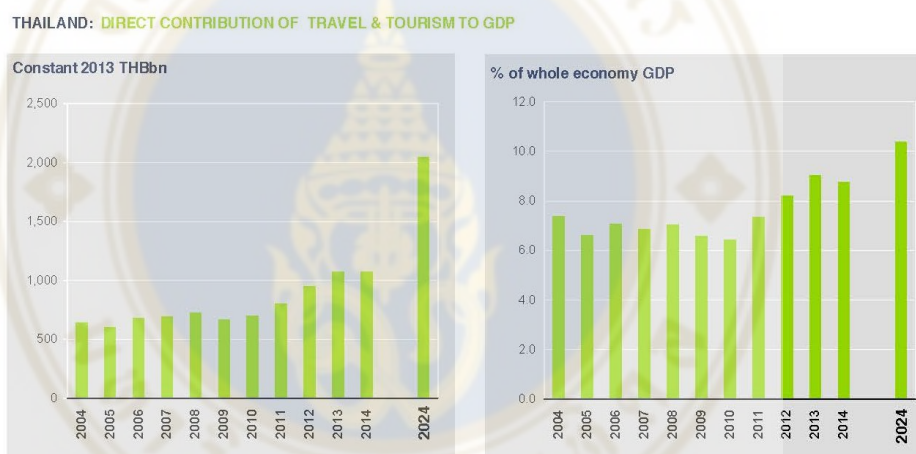
Figure1.1 Direct contribution of travel and tourism to Thailand GDP

In past 5 years there are more than 15 million tourists travelled to Thailand. In year 2014, the number has increased to 24 million (slightly dropped from year 2013 due to the political crisis) as we can see from figure 1.2. The positive trend of tourism inspires many investors to enter and invest in hotel business.

Table 1.1 The number of tourist arrivals to Thailand by nationality during January-December 2014

	2014		2013		%Δ
Nationality	**Number**	**%Share**	**Number**	**%Share**	**2014/2013**
East Asia	14,561,527	58.76	15,911,375	59.94	-8.48
Europe	6,156,132	24.84	6,305,945	23.75	-2.38
The Americas	1,104,714	4.46	1,166,633	4.39	-5.31
South Asia	1,251,558	5.05	1,347,585	5.08	-7.13
Oceania	947,242	3.82	1,021,936	3.85	-7.31
Middle East	593,000	2.39	630,243	2.37	-5.91
Africa	165,595	0.67	163,008	0.61	1.59
Grand Total	24,779,768	100.00	26,546,725	100.00	-6.66

Anyway, in some regions, there are seasons for travelling (low season, high season and peak season). Normally hotels are likely to be full occupied in high and peak season, where there are many available rooms in low season. If some entrepreneurs do not study well about the business and situation of their regions, they may suffer from the loss of unoccupied rooms. For example, Krabi is one of popular seasonal destination where many of travellers want to visit. Many new hotels and resorts are built every year, so, unsurprisingly, the market becomes more and more competitive. To gain the biggest piece of market share, each hotel has to come up with many strategies to compete with competitors and survive, especially in low season.

The marketing and sales department of each hotel has to work on their strategy. Sometimes when the market, especially domestic market, is crucially competitive, we can see depressingly price war occurs in many tourism events like Thai Tiew Thai. This price war only causes a negative effect for hotel business in long run. As we can see from news that some customers have bought hotel package in the travel expo but they do not get the service as they were told and sold. That is because

the hotel has over-promised and cannot deliver the proper service since it is over their cost.

Interestingly, some tourist destination like Krabi has a unique point which is different from other tourist destinations. That is a Muslim community background. More than 40% of population in Krabi are Muslim (58.46% Buddhist, 0.22% Christian and 0.81% others), especially in Ao-nang area. So unsurprisingly that there are quite a number of hotels and resorts owned by Muslim family. By the religion rule, Muslim cannot consume pork and alcohol as well as cannot provide to others. Thus, some Muslim owned hotels do not offer pork and alcohol in their restaurant and property. Since F&B is one of the main outlets which generates revenue to the hotel (approx.100-200% margin for beverage), of course, unavailability of alcohol causes the business to gain less profit. However, it is still a question that the unavailability of alcohol in the hotel can cause the company to lose the competitive advantage in the industry or not. Is it one of customer criteria in selecting the hotel?

The purpose of this research is to find out what factors can influence consumer decision in choosing a hotel. Moreover, this research also observes on hotels run by Muslim owner where some of Islamic rules are applied. The result of this study will help the hotel investors to understand more about the factor that can influence the consumer in selecting a hotel, so they can use it to check and improve their business accordingly. The right understanding of the hotelier will lead them to manage and carry on the sustainable service to the society.

CHAPTER II
LITERATURE REVIEW AND HYPOTHESIS

2.1 Literature Review

There are many researches studied about the attributes of accommodation that customers normally take in to consideration before choosing a hotel. Anyway, this paper would focus on the factor that can influence more on customer decision making process. There are a number of previous studies that focus on the same assumption as follows.

Personal Value

The researcher believes that personal value is one of the factor that can determine consumer decision making. Since personal value is a motivating force that can make people perceive something in the way that allies or against their value, so it is likely that when people have to make a decision, their personal value is considered in the process.

An-Tien Hsieh and Chien-Wen Tsai has studied the influence of culture toward the hotel service perception by comparing the difference in many dimension between Taiwanese tourists and American tourists. The study found that national culture does matter and have influence on their evaluation and cognition of hotel service quality. In order to diminish the gap between expectation and cognition of service quality, transcend cross-cultural boundaries, upgrade consumers' cognition toward hotel service quality, the hotels should recognize the needs of consumers from different cultures for different aspects of service quality (2009 : 64).

Lee (1993:95) says personal value structures were linked to the importance of hotel choice criteria. Groups with similar value structures also have similar choice criteria for hotels. Influence of personal values on choice criteria was identified in both countries. However, value influence appeared to be culture specific, and not generalized to particular choice criteria.

Pantouvakis (2013:14) concludes that in business terms it seems important to capitalize on those ethical concerns and different behaviors. Perhaps tourists in the near future will behave in the same sophisticated and sensitive manner when selecting holidays as when consuming products or services in their home country.

Personal Belief

In the study about the influence of religiosity on the intention of united states Muslim tourists to choose a Shariah compliant hotel (Figure2.1), Maloud (2013:162) identified Muslims avoid going to places that they feel that they might be physically or verbally abused if they were easily noticed to be Muslims. The results of this study has provided some evidence that Islamic beliefs and behavioural practices do affects United States Muslims leisure and travel behaviour (2013:163).

Mokhlis (2009:75) says religion is an important cultural factor to study because it is one of the most universal and influential social institutions that have significant influence on people's attitudes, values and behaviours at both the individual and societal levels. His finding (2009: 81) also found that religion does have an effect on reported behaviour with the degree of religiosity was found to be more important than belonging to any particular religious faiths.

From the finding of Alam and Hisham (2011: 93) reveals that the Islam religion have great influence on the purchase decision of Muslim consumers. This influence has formed a new behaviour model of Muslim consumers. The findings also indicate that other factors like salary, age, etc. claimed as important by many conventional scholars displayed lower or almost non-impact on the purchase and consumption decision of Muslim consumers
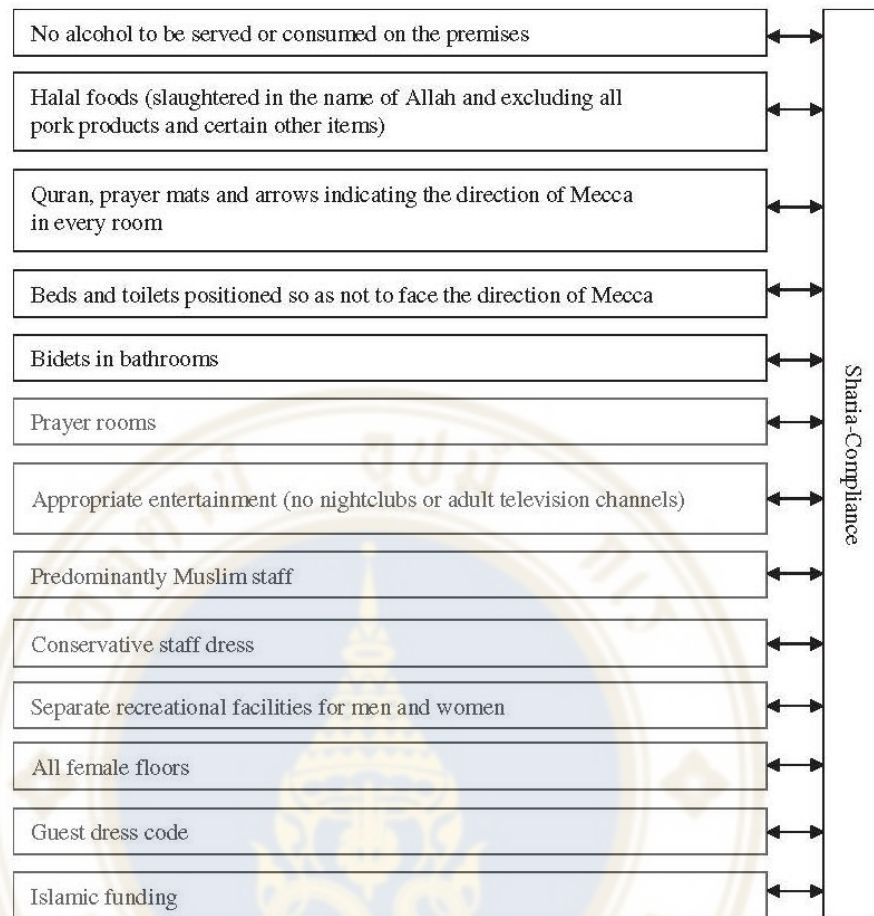
Figure2.1 Attribute of Shariah compliance for hotel

WOM/EWOM

WOM is defined as "informal communications directed at other consumers about the ownership, usage, or characteristics of particular goods and services and/or their sellers" (Westbrook, 1987:261).

Internet plays a very important role in today world. In the past word of mouth (WOM) is very fast way to spread news but now when we have IT tool and channel, electronic word of mouth is even more powerful and effective. The research believes that EWOM in social media like Facebook, Blog, Twitter, Instragram or the website that people can write the review and comment is one of significant factors that influence customer decision making.

Sotiriadis and Zyl (2013: 119) has done a research on Electronic word-of-mouth and online reviews in tourism services.Their finding shows how precisely social media members are using the information retrieved in an online environment and the factors influencing their behaviour. The study also found that there are three factors are very influential regarding the use of information regarding tourism services retrieved from Twitter, which are reliability of Twitter followers/users, degree of involvement about the posting and expertise and knowhow of Twitter users/followers. The study also indicates that source reliability is the key point that the message receiver take into account before believing and making a decision.

To support above study, Fan and Miao (2012: 178) also found that perceived EWOM credibility had a significant effect on acceptance and use of EWOM for both male customers and female customers. The result of the study shows that EWOM has influence over customer decision making in purchasing product or service online, though there is some difference in degree of trust between genders which women is more likely to feel risky to trust the information from EWOM.

Arsal (2008) research outcome concurs with above finding that EWOM can influence customer decision making. The study focuses on online community in tourism industry. EWOM is found a lot in the recommendation agent for accommodation and transportation agent website. The results also show that the influence level differed by the source of information.

Contrastingly with my assumption, Lo (2012: 107) who studied on WOM in the case of Chinese tourist travel experience in Taiwan concluded that even though the results has found the positive and direct effect from word-of-mouth to perceived value and perceived risk, but there were no significant effects found from perceived risk to tourist satisfaction and behavioral intention.

Yu (2014: 14) investigated the effect of customer online rating for hotels from Tripadvisor.com and the result shows that customer ratings should not be ignore since it is one of the most accessible and prevalent forms of EWOM which is the first impression of a hotel or destination. The researcher agrees with Yu's finding because I believe that customers always believe and rely on information from their peers more than information from hotel owned channel like hotel website.

Past experience

Cohen, Etner and Jeleva (2007: 173) say that their investigation raises the example of insurance demand that people tend to rely on past experience more when making a decision, especially if they experience an accident before. It well appears that past experience have a cumulative effect on decisions: an individual can maintain constant its insurance demand after one occurrence of the loss and modify it only after two or more consecutive loss events (2007: 190). The researcher believes that this assumption can also apply to other decision making as well as hotel selection process. As we can see that many businesses focus more and more on creating customer experience, especially in service business. Concurring with this assumption, Morgan (1991:44) says that the memory could be associate with either negative or positive evaluation and feeling, depending on the past experience. If prior experiences are recalled negatively, the chain in question probably would have very little, if any, chance of being selected for the current trip. That is because we know that one bad experienced customer can cause unlimited loss to the business and one of the way the use is WOM and EWOM that I already mentioned above.

Lehto (2000: 139) concludes his study about the effect of prior destination experience on current trip behaviour which is researched on German and British traveller that there is no clear evidence shows that past experience can 100% influence the current decision making. The study found that for German travellers, past experience appeared to be a strong predictor for risk reduction activities such as trip planning activities. As a person's past experience goes up, he tends to spend less time on trip planning and tends to make quicker travel decisions and use fewer information sources. In contrary, with British travellers, the association between number of trips and risk reduction activities appeared to be much weaker relative to other factors. Instead, age appeared to play a more important role in explaining trip-planning behaviour.

Framework
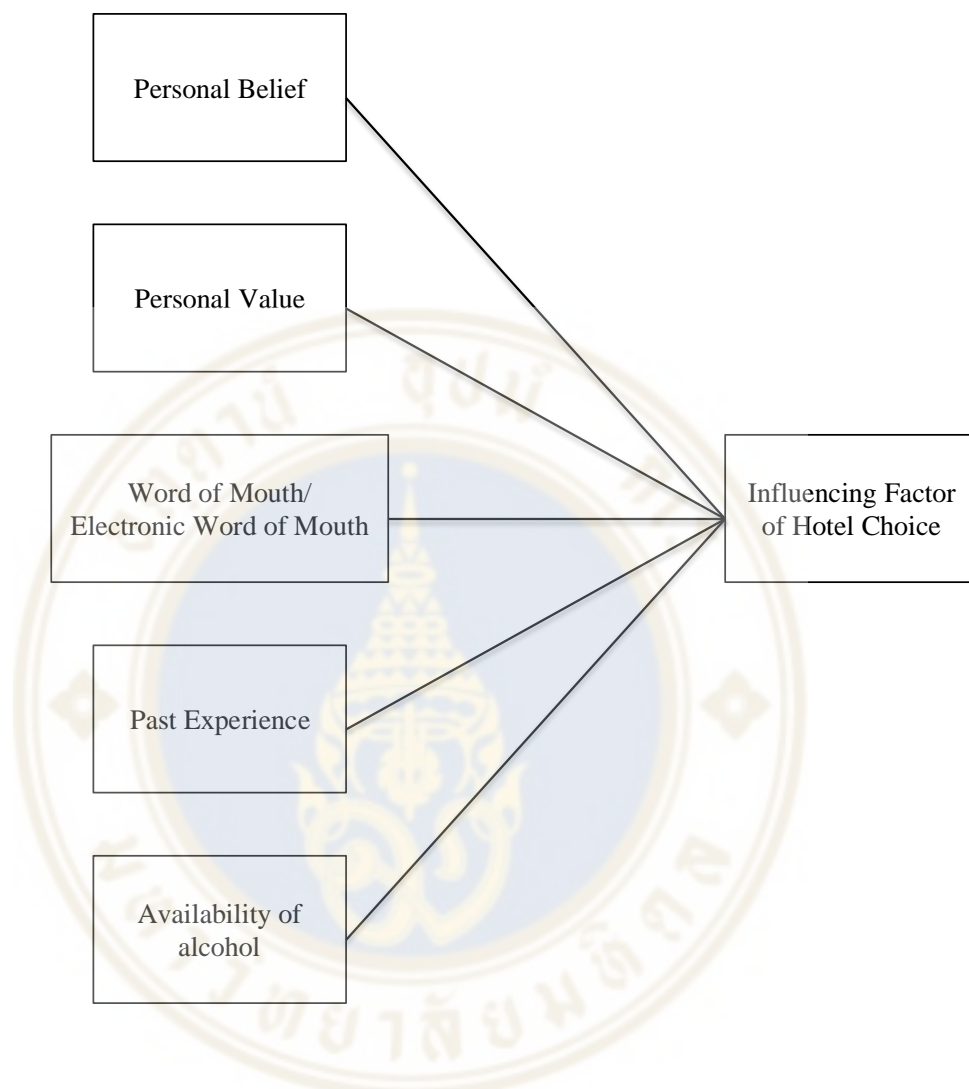
Figure 2.2 Influencing factor of hotel choice framework

2.2 Hypotheses

According to the literature review and framework can be conclude hypotheses as follow:

H1: Personal belief will have a positive relationship on consumer decision making in choosing a hotel.

H2: Personal value will have a positive relationship on consumer decision making in choosing a hotel.

H3: Word of mouth and Electronic word of mouth will have a positive relationship on consumer decision making in choosing a hotel.

H4: Past Experience will have a positive relationship on consumer decision making in choosing a hotel.

H5: The availability of alcohol in hotel will have a positive relationship on consumer decision making in choosing a hotel.

H6: Consumer's gender will have a positive relationship on their willingness to stay in an alcohol-free hotel.

H7: Consumer's age will have a positive relationship on their willingness to stay in an alcohol-free hotel.

CHAPTER III
METHODOLOGY

3.1 Research Design

To answer the research objective, this research used a quantitative approach. The researcher chose the quantitative approach to use mathematical analysis and gain various amount of information from respondents.

3.2 Population and sample size

The research was conducted by distributing questionnaire in two ways. The survey was conducted online and in paper. Online questionnaire was open for anyone to answer. The paper questionnaire was sent and distributed to tourists in both Muslim and Non-Muslim hotels in Krabi province. The objective of sending the questionnaire to both type of hotel is because each hotel has some different attribute and service that may answer this research framework. The survey was conducted with 153 tourist regardless age, gender and nationality.

3.3 Research Instrument

3.3.1 Constructs Measurements

In this research use both nominal and interval of measurement scales. The researcher used nominal scale for the question that would like to group the response data and general information of respondent. On the other hand, the researcher used interval scale for more complicated question to measure the level of agreement, importance and satisfaction.

For interval (Linkert) scale, the researcher will provide 5 levels of answer, from 5 (Very important), 4 (Important), 3 (neutral), 2 (not so important), and 1(not important at all).

3.3.2 Questionnaire design

The questionnaire will be divided into four parts with 44 questions.

Part 1: General information about travelling interest and frequency (3 questions)

Part 2: General Information about the hotel the respondents normally stay in and booking channel (5 questions)

Part 3: Measuring the respondents perception toward each variable (31 questions).

Part 4: Demographic information (5 questions).

3.3.3 Questionnaire Question

Table 3.1 General Question about travelling interest and frequency

Questions
In past 3 years, how many times you have been travelling?
What kind of place do you love to travel to?
Who do you normally travel with?

Table 3.2 General information Question about the hotel the respondents normally stay in and booking channel

Questions
What kind of accommodation do you normally stay in while travelling?
Where do you normally find information about accommodation from?
Which channel do you normally use to book the hotel?
Which service outlet of hotel do you usually use?
Will you stay in an alcohol-free hotel? (They not provide and serve alcohol but

allow you to have yours)

Table 3.3 Independent Question

Scale Questions
I always choose a hotel for a trip by myself
I always check a hotel review before making a booking
I have a strong religious belief
I care about green environment
I always choose the same hotel to stay
I love to socialize
If I have a bad experience, it will be hard for me to forget
If I have a good experience, it will be hard for me to forget
I normally read guide book/travel review
I always listen to other people's recommendation
I normally drink alcohol
I always post or comment on online web board
I am a heavy user for Facebook
I think information on the internet is reliable
Friend's recommendation has an influence on my decision making
Past experience has nothing to do with my present decision making
I think recommendation agent like Agoda website is more reliable than hotel website

Table 3.3 Independent Question (Cont.)

I always follow religion rules
I know what I want and do not want
I like to try new things
I believe travel review that others post online
I would not be tolerant to what I do not like or against my belief
I feel good to meet people from my country when I travel aboard
I am a conservative person
I want to feel like home when I travel and stay in a hotel
I will not stay in a hotel which is not environment friendly
I always express my country culture when I travel aboard
I always have confidence in myself
I like to make new friends regardless nationality and religion
I am independent person

Table 3.4 Dependent Question

Questions
I am willing to stay in a hotel

Table 3.5 Demographic Question

Questions
What is your gender?
What is your age?
What is your nationality?

Table 3.5 Demographic Question (Cont.)

What is your marital status?
What is your religion preference?

3.3.4 Data collection

153 questionnaires were distributed by using both paper and online tools, however, they were sent back 153 papers. 41 paper questionnaires and 112 online questionnaires were answered. The paper questionnaires were distributed to tourists who were staying in hotels in Krabi provinces. In addition, the online survey method is used by www.surveymonkey.com
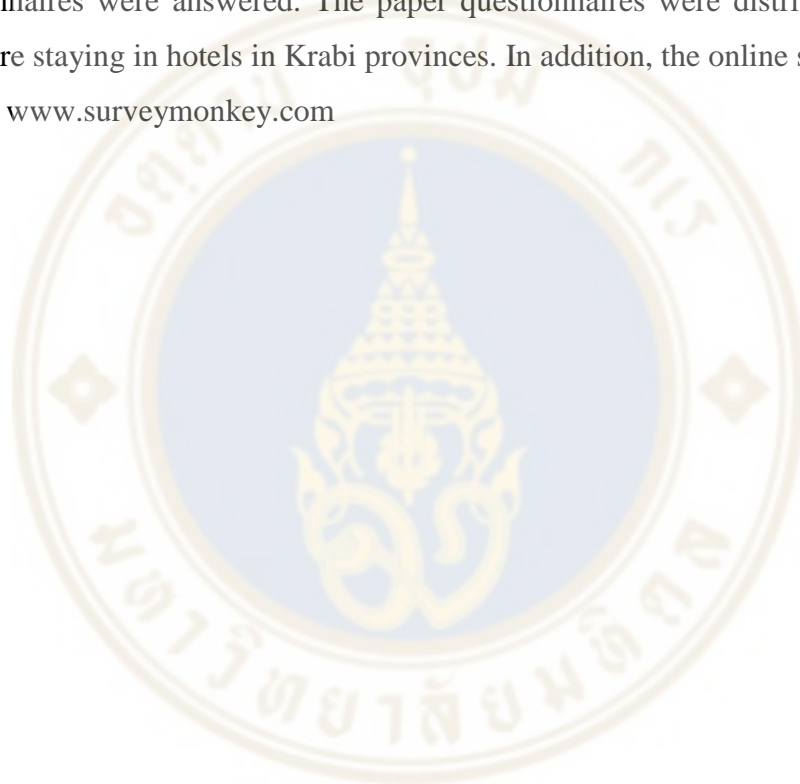
CHAPTER IV
RESEARCH FINDING AND ANALYSIS

This chapter presents and discusses the research's finding. The detail obtains from questionnaires distributed to 153 travelers from various countries and ages. The first part of this chapter begins with the result and analysis of demographic of respondents' profile, followed by the general information of respondent about travelling and hotel. After that the research discusses about the result variable of factor that can influence the consumer decision making in choosing a hotel by using Exploratory Factor Analysis (EFA) and correlation analysis the significant constructs. Moreover, this research also tested constructs with dependent variable by using multiple linear regression analysis and One-way Anova analysis.

4.1 Research finding

4.1.1 Demographic of respondents' information

From figure 4.1, we can see that the majority of respondents is female, which is 64.05% (98 persons), while male is only 35.95% (55 persons) from total 153 respondents.

Gender of Respondent
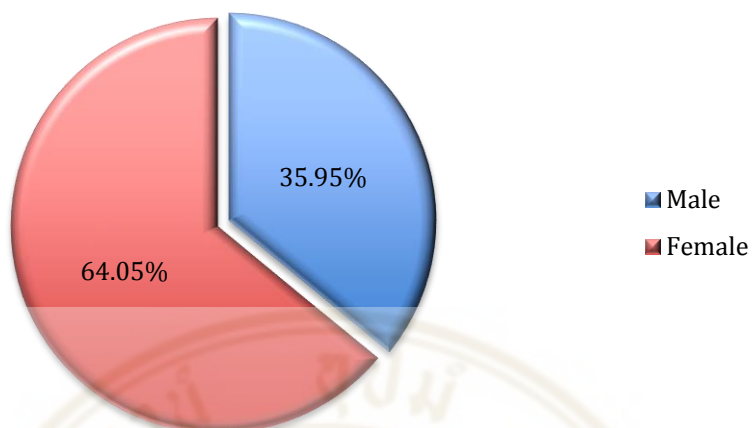
Figure 4.1 Gender of respondent

According to figure 4.2, it illustrates the age range, the respondents were divided into 5 groups. which shows that 41 respondents (26.8%) at the age 18 – 25 years old, 56 respondents (36.6%) at the age of 25-30 years old, 40 respondents (26.14%) at the age of 31-40 years old, 12 respondents (7.84%) at the age 41-50years old, and 4 respondents (2.61%) at the age 50-60 years old answered this survey.

Age of Respondent
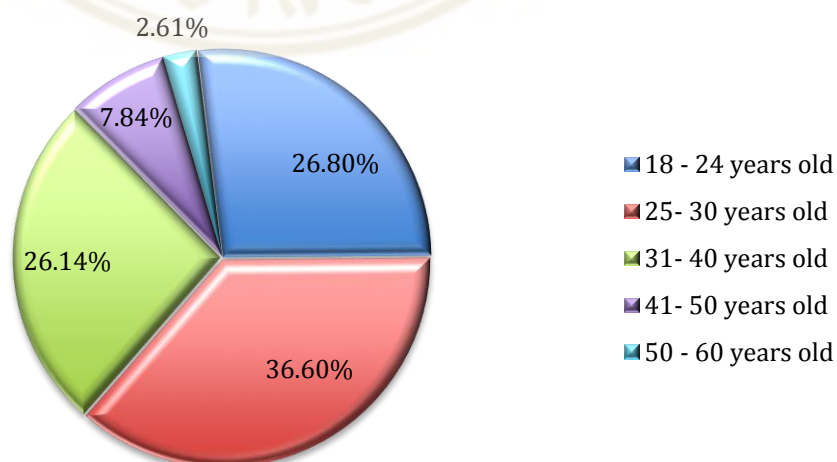
Figure 4.2 Age range of respondent

In addition, figure 4.3 shows that most of respondents are Buddhist which is 55 respondents (35.95%), follow by 42 Christian (27.45%), 32 Muslim (20.92%), 4 Roman Catholic 2.61%, 4 Jewish (2.61%) and 16 other (Hindu,Taoism and Atheism) which is 10.46%.

Religion Preference of Respondent
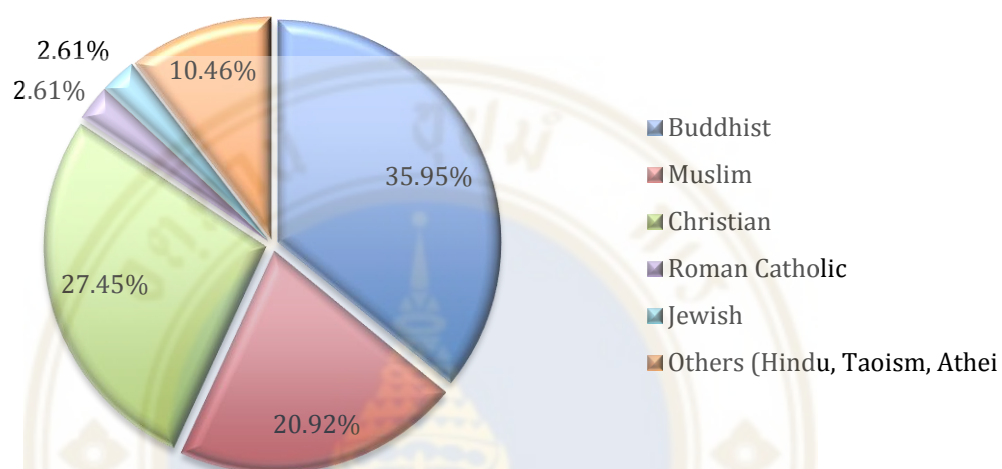
Figure 4.3 Religion preference of respondent

4.1.2 General Information of respondents

Table 4.1 illustrates that in past 3 years most of respondents travel 3-5 times which is 33.99% or 52 people from total respondents. The second range is 6-8 times, 50 respondents (32.68%). Anyway, the researcher screened out 4 respondents who do not travel at all in past 3 year out of the research analysis.

Moreover, it shows that 79 respondents (51.63%) use online travel agent to find the information about hotel, 33 respondents (21.57%) use travel website and 16 respondents (10.46%) use family and friend as source of information about hotel. In addition, the result for hotel booking channel also goes to the same direction with the source. The online travel agent is the number one chosen channel for making hotel reservation, the 110 out of 153 respondent (71.9%) use only travel agent for the booking.

Table 4.1 General information of respondent

General		Number of respondents	Percentage (%)
Times of travelling in part 3 years	Not at all	4	2.61
	Once or twice	10	6.54
	3-5 times	52	33.99
	6-8 times	37	24.18
	More than 8 times	50	32.68
	Total	**153**	**100.0**
Hotel Information Source	Online Travel Agent	79	51.63
	Offline Travel Agent	4	2.61
	Travel website	33	21.57
	Community web –board	13	8.5
	Travel -book/magazine	5	3.27
	Family and Friend	16	10.46
	Others	3	1.96
	Total	**153**	**100**
Channel for making a reservation	Hotel Website	29	18.95
	Online Travel Agent	110	71.9
	Offline Travel Agent	8	5.23
	Others	6	3.92
	Total	**153**	**100**

Table 4.1 General information of respondent (Cont.)

General		Number of respondents	Percentage (%)
Hotel outlet preference	Restaurant	105	68.63
	Bar	24	15.69
	Swimming pool	76	49.67
	Spa	11	7.19
	Fitness centre	20	13.07
	Business centre	3	1.96
	Other	1	0.65
	Total	**153**	**100**

Moreover, since this research also explores about the effect of availability of alcohol in hotel toward consumer decision making in choosing hotel, the initial result is as in table 4.2. From 153 survey respondents, the respondent who is willing to stay in an alcohol-free hotel is 128 persons (83.66%), while the number respondent who will not stay in an alcohol-free hotel is 25 persons (16.34%).

Table 4.2 Intention to stay in an alcohol free hotel of respondent

Will you stay in an alcohol-free hotel? (They do not provide and serve alcohol but allow you to have yours)	Number of respondents	Percentage (%)
Yes	128	83.66
No	25	16.34
Total	**153**	**100.0**

4.2 Factor Analysis

Factor analysis is a tool to group similar variables as constructs. The information can be summarized into meaningful word and related direction group which create new significant constructs (Field, 2005). The researcher runs factor analysis to determine significant variable. Also this research uses factor loading to see a correlation between the original variable, in order to determine and cut the insignificant value.

4.2.1 Total variance explained

Total variance explained showed the number on constructs and the percentage of the significant level of overall constructs

Table 4.3 Total variance explained the significant construct

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.186	27.286	27.286	4.166	13.886	13.886
2	2.902	9.675	36.961	3.596	11.987	25.873
3	2.104	7.012	43.973	3.474	11.581	37.454
4	1.714	5.712	49.685	2.345	7.818	45.272
5	1.464	4.878	54.563	1.925	6.418	51.690
6	1.230	4.101	58.664	1.728	5.761	57.451
7	1.104	3.681	62.345	1.468	4.894	62.345
8	.988	3.294	65.640			
9	.850	2.832	68.472			
10	.840	2.801	71.273			
11	.774	2.580	73.853			

Table 4.3 Total variance explained the significant construct (Cont.)

Comp onent	Initial Eigenvalues			Total		
	Total	% of Variance	Cumulative %	Cumulativ e %	% of Variance	Cumulative %
12	.744	2.478	76.331			
13	.694	2.312	78.643			
14	.639	2.131	80.774			
15	.584	1.947	82.721			
16	.532	1.773	84.494			
17	.522	1.739	86.232			
18	.493	1.642	87.874			
19	.467	1.555	89.429			
20	.464	1.547	90.976			
21	.402	1.340	92.316			
22	0.352	1.172	94.771			
23	0.31	1.033	95.805			
24	0.286	0.954	96.758			
25	0.231	0.77	97.528			
26	0.219	0.729	98.257			
27	0.196	0.653	98.91			
28	0.173	0.577	99.487			
29	0.154	0.513	100			

Extraction Method: Principal Component Analysis.

From the table 4.3, there are 7 significant factors that can influence the consumer decision making in choosing a hotel. The significant factor must have initial Eigen values greater than one, because an eigenvalue less than one implies that the scores on the component would have negative reliability (Kaiser : 1960)

4.2.2 Scree Plot

Scree plot showed 7 of significant factors that are important for consumer decision making in choosing hotel, as it is shown that from the 8th plot the line is almost flat because those factors are accounting of smaller amount of total variance.
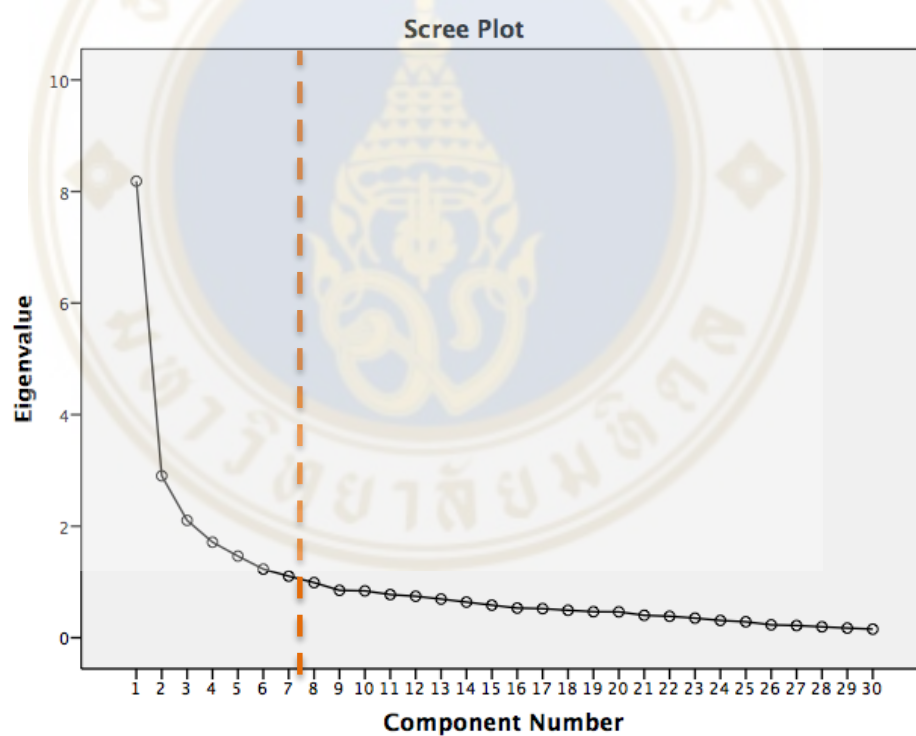
Figure 4.4 Scree plot of significant factors that influence consumer decision making in choosing a hotel

4.2.3 Rotated Component Matrix

Rotated Component Matrix in Table 4.4 shows the contribution level of each variable toward each construct.

Table 4.4 Rotated component matrix

	Component						
	1	2	3	4	5	6	7
18. I always follow religion rules	.783						
3. I have a strong belief in religion	.779						
24. I am a conservative person	.654						
25. I want to feel like home when I travel and stay in a hotel	0.603						
22. I would not be tolerant to what i do not like or against my belief	0.547						
23. I feel good to meet people from my country when i travel aboard	0.539						
16. Past experience has nothing to do with my present desicion making	0.509					0.505	
4. I care about green environmant	0.49						
26. I will not stay in a hotel which is not environment friendly	0.43						
2. I always check a hotel review before making a bookig		0.765					
8. If i have a good experience, it will be hard for me to forget		0.712					
7. If i have a bad experience, it will be hard for me to forget		0.704					
1. I always choose a hotel fot a trip by myself		0.681					
30. I am independent person			0.751				
28. I always have confidence in myself			0.725				
29. I like to make new friends regardless nationality and regligion			0.703				

Table 4.4 Rotated component matrix (Cont.)

	Component						
	1	2	3	4	5	6	7
20. I like to try new things			0.634				
19. I know what i want and do not want		0.505	0.516				
27. I always express my country culture when I travel aboard	0.489		0.495				
21. I believe travel review that others post online				0.686			
17. I think recommendation agent like Agoda website is more reliable than hotel website				0.549			
12. I always post or comment in online webboard				0.518		0.495	
15. Friend's recommendation has an influence on my decision making				0.492			
14. I think information on the internet is reliable				0.472			
6. I love to socialize					0.704		
10. I always listen to other people's recommendation					0.62		
9. I normally read guide book/travel review					0.514		
11. I normally drink alcohol						0.776	
5. I always choose the same hotel to stay							0.788
13. I am a heavy user for Facebook				0.435			0.532

However, there are five questions with data load, so the researcher run the dimension reduction to get more accurate information

4.2.4 The result after dimension reduction

Table 4.5 Grouping of factors that influence consumer decision making in choosing a hotel

	Component		
	1	2	3
18. I always follow religion rules	.844		
3. I have a strong belief in religion	.803	Personal Belief	
24. I am a conservative person	.719		
22. I would not be tolerant to what I do not like or against my belief	0.641		
30. I am independent person		0.83	
28. I always have confidence in myself		0.808	Personal Value
29. I like to make new friends regardless nationality and religion		0.77	
9. I normally read guide book/travel review			0.822
10. I always listen to other people's recommendation			0.783
21. I believe travel review that others post online			0.487

In this research , Table 4.5 of Rotated component matrix after dimension reduction showed three dimensions of factor that influence the consumer decision making in choosing a hotel. The results were grouped after the factor analysis explored in rotated component matrix. Moreover, the factors illustrated as below:

1. Personal belief: relevant to religion, belief in norm or custom
2. Personal Value: relevant to what is important to each individual such as independence, acceptance, confidence and etc.
3. Reference: relevant to the source of information

The results of the factor analysis illustrated some of the variables were cut out because of the insignificant contribution level while there is also a new group of variable. Thus, the former hypotheses, H3: Word of mouth will have a positive relationship on consumer decision making in choosing hotel and H4: Past experience

will have a positive relationship on consumer decision making in choosing a hotel are rejected.

Furthermore, the researcher tested the new hypotheses of this study by a multiple regressions with the regrouped constructs from the factor analysis in order to see the factor that can influence consumer decision making in choosing hotel. The new hypotheses are shown below:

H8: Reference will have influence consumer decision making in choosing hotel

4.3 Multiple Regression Analysis

Multiple regression analysis is a powerful technique used for predicting the unknown value of a variable from the known value of two or more variables which is also called the predictors (https://explorable.com/multiple-regression-analysis).

After run the factor analysis and the result shows the re-group of significant factors that can influence consumer decision making in choosing hotel, which are personal belief, personal value and reference. some former hypothesis was rejected because the P-value is less than 0.05 which is considered as insignificant factor.

4.3.1 Model summery of running Multiple regression

After testing the Model summary of three factors with the willing to stay in hotel by using Multiple regression, the result shows as below Table 4.6.

Table 4.6 Model summary of running Multiple regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.358a	.128	.110	.721	.128	7.116	3	145	.000

a. Predictors: (Constant), reference, personalbelief, personalvalue

The result in Table 4.6 of Model summary of three constructs toward consumer's intention to stay in hotel illustrates that the adjusted r square equaled to 1.1%.

4.3.2 Coefficients result of running Multiple regression

The testing of coefficient of 3 factors with consumer willing to stay in a hotel shows the significant factors when running multiple regression. The result is as shown in Table 4.7.

Table 4.7 Coefficients result of running Multiple regression

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.836	.376		7.532	.000
	personalbelief	-.001	.074	-.001	-.016	.987
	personalvalue	.231	.077	.257	2.986	.003
	reference	.187	.093	.172	2.003	.047

a. Dependent Variable: 31. I am willing to stay in a hotel

The result in Table 4.7 shows that there are only two constructs which have positive relationship with consumer willing to stay in a hotel. Personal belief is not statistically significantly different from zero because its p-value = 0.987 which is definitely larger than 0.05, so it can be concluded that the hypotesis H1: Personal belief will have a positive relationship on consumer decision making in choosing hotel is rejected.

The two significant constructs now are personal value and reference. Personal value construct has 0.02 significant which is less than 0.05 level of significant rate. Furthermore, Reference construct is also significant at value 0.041.

After cut out the insignificant construct, personal belief, the researcher run the multiple regression again. The result is as shown in Table 4.8 and 4.9.

Table 4.8 Model summary of running Multiple regression factor that can influence consumer decision making in choosing a hotel

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.358a	.128	.116	.718	.128	10.748	2	146	.000

a. Predictors: (Constant), reference, personalvalue

The result in Table 4.11 of Model summary of two constructs of factor that can influence consumer decision making in choosing a hotel illustrated that the adjusted r square equaled to 11.6%.

Table 4.9 Coefficients of running Multiple regression factor that can influence consumer decision making in choosing a hotel

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.834	.358		7.908	.000
	personalvalue	.231	.075	.257	3.084	.002
	reference	.186	.091	.171	2.057	.041

a. Dependent Variable: 31. I am willing to stay in a hotel

From Table 4.9: Coefficients of running Multiple regression, the results showed that both constructs personal value and reference have a positive relationship with consumer decision making in choosing a hotel .

Personal value significant value is 0.002 which is less than 0.05 level of significant rate. Thus, the hypothesis H2: Personal value will have a positive relationship on consumer decision making in choosing hotel is accepted.

Also, Reference significant value is 0.41 which is less than 0.05 level of significant rate. Thus, this new hypothesis H8: Reference will have a positive relationship on consumer decision making in choosing hotel is accepted.

4.3.3 ANOVA result of running Multiple regressions

The researcher run the one way ANOVA to test the relationship between consumer willing to stay in a hotel and the availability of alcohol in a hotel. The result is shown in Table 4.10

Table 4.10 ANOVA Testing result between the difference in consumer's gender and the willingness to stay in an alcohol-free hotel

	N	Mean	Std. Deviation	Std. Error
Male	55	1.16	.373	.050
Female	94	1.17	.378	.039
Total	149	1.17	.375	.031

Will you stay in an alcohol-free hotel? (They not provide and serve alcohol but allow you to have yours)

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.002	1	.002	.011	.918
Within Groups	20.804	147	.142		
Total	20.805	148			

From Table 4.10, ANOVA testing between the difference in consumer's gender and the willingness to stay in an alcohol-free hotel, the result showed the Sig-value's result is 0.918 which higher than 0.05 level of significance. It can be concluded that difference in gender has no influence consumer's willingness to stay in an alcohol free hotel. Therefore, H6: Consumer's gender will have a positive relationship on their willingness to stay in an alcohol-free hotel is rejected.

Table 4.11 ANOVA Testing result between the difference in consumer's age and the willingness to stay in an alcohol-free hotel

	N	Mean	Std. Deviation	Std. Error
18-24 years old	39	1.13	.339	.054
25-30 years old	55	1.16	.373	.050
31-40 years old	39	1.26	.442	.071
41-50 years old	12	1.08	.289	.083
51-60 years old	4	1.00	.000	.000
Total	149	1.17	.375	.031

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.567	4	.142	1.008	.406
Within Groups	20.239	144	.141		
Total	20.805	148			

From Table 4.11 ANOVA testing between the difference in consumer's age and the willingness to stay in an alcohol-free hotel. The result showed Sig-value is 0.406 which higher than 0.05 level of significance. It can be concluded that there is no difference between consumer's age and the willingness to stay in an alcohol-free hotel. Therefore, H7: Consumer's age will have a positive relationship on their willingness to stay in an alcohol-free hotel is rejected.

4.4 Hypotheses Summary

In this research, Factor analysis and Multiple Regression methods were used to test hypotheses in order to describe the relationship with all variables. The summary of the research finding is shown in Table 4.12 as follow:

Table 4.12 Hypothesis Summary

Hypotheses	Methods test	Results
H1: Personal belief will have a positive relationship on consumer decision making in choosing hotel	Multiple Regression	**Rejected H1**
H2: Personal Value will have a positive relationship on consumer decision making in choosing hotel	Multiple Regression	**Accepted H2**
H3: Word of Mouth will have a positive relationship on consumer decision making in choosing hotel	Factor Analysis	**Rejected H3**
H4: Past experience will have a positive relationship on consumer decision making in choosing hotel	Factor Analysis	**Rejected H4**
H5: The availability of alcohol in hotel will have a positive relationship on consumer decision making in choosing hotel	Factor Analysis	**Rejected H5**
H6: Consumer's gender will have a positive relationship on their willingness to stay in an alcohol-free hotel	ANOVA	**Rejected H6**
H7: Consumer's age will have a positive relationship on their willingness to stay in an alcohol-free hotel	ANOVA	**Rejected H7**

Table 4.12 Hypothesis Summary (Cont.)

H8: Reference will have a positive relationship on consumer decision making in choosing hotel	Multiple Regression	**Accepted H8**

CHAPTER V
CONCLUSIONS AND LIMITATIONS

This research focused on the factor that can influence customer decision making in choosing a hotel. According to literature review, there are four assumptions that the research used as variable for this study, which are personal value, personal believe, word of mouth/electric word of mouth and past experience. The study was proposed and tested by using SPSS program and running Exploratory Factor Analysis and Multiple Regression Analysis. Moreover, to answer another question of this study about the effect of availability of alcohol in a hotel toward consumer decision making in choosing a hotel, the researcher tested this topic by using One-way ANOVA analysis.

There were 153 respondents which were 55 males and 98 females participated in this survey. Results showed that the majority age groups were 25 - 30 years old for 56 respondents and 41 respondents in age range 18-24 years old. Most of respondents are Buddhist, Christian and Muslim which are 35.95%, 27.45% and 20.92% of all 153 respondents respectively. The most influential factors effect on consumer decision making in choosing hotel are personal value and reference.

5.1 Conclusions

The result of this research showed that there are two significant factors that can influence consumer decision making in choosing a hotel. Firstly, it is proved that personal value has an influence on consumer decision making in choosing a hotel. The Sig value for this factor is 0.002 which is lower than level of significant rate. Personal value can link to choice of criteria when a consumer selects a hotel to stay in. For example, if the customer value is solitude, it will influence them to choose the hotel that provide them more space of privacy over other hotels. If they are

environmentalism, they will choose a hotel that is environmental friendly or green hotel.

Secondly, reference is another key factor that is very significant. The p-value is 0.041. From the result, the respondents' answer shows that the reference from many sources such as guide book, online travel review and personal recommendation are very important and can influence consumer decision making in choosing a hotel.

Lastly, the study found that the availability of alcohol in a hotel has no relationship with consumer's willingness to stay in a hotel. 128 respondents from 153 respondents or 83.66% of total respondents said that they will stay in an alcohol-free hotel. Moreover, gender and age have no relationship toward the willingness of consumer decision in staying in an alcohol-free hotel.

5.2 Recommendations and Practical Implications

The result of this study showed that personal value and reference are the influential factors for consumer decision making in choosing a hotel. Hotel management team should be aware of this fact and use this result to help setting some direction for their marketing strategy. Culture is one thing that shapes a personal value. A hotel's marketing team should focus on each target group customer from different culture. The marketing can tailor the strategy to be more suitable for each segment in the international market. For example, if a hotel targets Japanese market, then the service should be emphasized on "politeness" and "security", because it is Japanese general value.

As the result of survey also showed that the key reference for consumer to find information about hotel before making a reservation is not a hotel official website, but it is online travel agent like Agoda.com, Booking.com, followed by travel website like TripAdvisor.com and LonelyPlanet.com. Thus, the marketing team should work more on how to cooperate well with these online channels especially the channel that the consumer normally communicate or exchange experience among themselves. Besides online reference, offline reference such as friend, book and word of mouth is also a powerful source that can influence consumer to select a hotel.

Moreover, the study also shows that there is no significant relationship between availability of alcohol and consumer intention to stay in a hotel. Thus, regardless revenue from F&B department, Muslim owned hotel with alcohol free policy can be confirmed that this factor will not affect the hotel competitive advantage. In other hand, alcohol free hotels can raise this point to be their uniqueness. The management can promote their F&B outlet as a healthy station by highlighting on healthy beverage instead. Furthermore, the hotel also can claim themselves as a healthy concept hotel and attract a target customer by combining a package with other wellness activities in hotel like spa.

5.3 Limitations

There are three main limitations in this research.

Firstly, it is a time constraint. We do not have enough time to collect data, so the sampling size is not big enough.

Secondly, the scope of respondent. Most of respondent are from Asia country such as Thai, Malaysian and Chinese. This small scope of respondents may not be able to represent all consumers' decision.

Lastly, some respondents are not 100% willing to answer the survey. Some of questionnaires were distributed to hotel guests in Krabi province who were in their holiday, so some of them are distracted by something else, while some of them did it fast just to finish it. Thus, there is high possibility that some part of result we got from the survey is not 100% true.

5.4 Future research

From the finding of current study, the researcher would like to propose the study on the important value of different culture customer for hotel business as a future research. This is to find out more profound about your customer and deliver the service properly which will lead to customer satisfaction.

Moreover, a future research can also be a study about the trend of Halal tourism market in Thailand. The researcher think that it is a very interesting topic,

since in past few years Halal tourism potential in Thailand is increasing. Many Muslim investors have invested in hotel, restaurant or even spa for Muslim tourist market. This study will help the investor to see the opportunity in doing business and also can develop the understanding about culture of their Muslim customer both from Thailand and other countries, so they can plan their business and marketing strategy properly.

Appendice

Appendix A: Questionnaire

What factor can influence customer decision in choosing hotel?

This questionnaire is a part of final project of Marketing Management program at College of Management Mahidol University (CMMU)

1. In past 3 years, how many times have you been travelling?

☐ Not at all   ☐ once or twice   ☐ 3-5 times

☐ 5-8 times   ☐ more than 8 times

2. What kind of place do you love to travel to?

☐ Big city   ☐ Historical place   ☐ Beach

☐ Mountain/Forest   ☐ Other, please specify _____

3. Who do you normally travel with?

☐ Alone   ☐ Family   ☐ Friend

☐ Other, please specify _____

4. What kind of accommodation do you normally stay in while travelling?

☐ Hotel   ☐ Villa/Resort   ☐ Hostel

☐ Service apartment ☐ Guesthouse   ☐ Other, please specify _____

5. Where do you normally find information about accommodation from?

☐ Online Travel Agent (ex. Agoda, Booking.com, etc.)

☐ Offline Travel Agent (ex. Kuoni, GTA, etc.)

☐ Travel Website (ex. Tripadvisor, Lonely Planet, etc.)

☐ Community Webboard (ex. Pantip)

☐ Travel book/ Travel magazine

☐ Family/Friend

☐ Other, please specify _____

6. Which channel do you normally use to book a hotel?

☐ Hotel website

☐ Online Travel Agent (ex. Agoda, Booking.com, etc.)

☐ Offline Travel Agent (ex. Kuoni, GTA, etc.)

☐ Other, please specify _____

7. Which service outlet of a hotel do you usually use?

____ Restaurant

____ Bar

____ Swimming Pool

____ Fitness Center

____ Spa

____ Business Center

____ Other, please specify _____

8. Will you stayin an alcohol-free hotel? (They do not provide and serve alcohol but allow you to have yours)

☐ Yes

☐ No

Please select the answer that suits you the best

Question	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
9. I always choose a hotel for your trip by myself					
10. I always check a hotel review before I make a booking					
11. I have strong belief in religion					
12. I care about green environment					
13. I always choose the same hotel to stay					
14. I love to socialize					
15. If I have a bad experience, it will be hard for me to forget					
16. If I have a good experience, it will be hard for me to forget					
17. I normally read guide book/travel review					
18. I always listen to other people's recommendation					
19. I normally drink alcohol					
20. I always post or comment on online web board					
21. I am a hard user for Facebook					
22. I think information on the internet is reliable					

Question	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
23. Friend's recommendation has an influence on my decision making					
24. Past experience has nothing to do with my present decision making					
25. I think recommendation agent like Agoda website is more reliable than ahotel website					
26. I always follow religion rules					
27. I know what I want and do not want					
28. I like to try new things					
29. I believe all travel review that others post online					
30. I would not be tolerant to what I do not like or against my belief					
31. I feel good to meet people from my country when I travel aboard					
32. I am a conservative person					
33. I want to feel like home when I travel and stay in hotel					
34. I will not stay in a hotel which is not environment friendly					

Question	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
35. I always express my country culture when I travel aboard					
36. I always have confidence in myself					
37. I like to make new friend regardless nationality and religion					
38. I am an independent person					
39. I am willing to stay in a hotel					

40. What is your gender?

☐ Male ☐ Female

41. What is your age?

☐ 18-25 years old ☐ 26-30 years old ☐ 31-40 years old ☐ 41-50 years

☐ 51-60 years old ☐ above 60 years old

42. What is your nationality? Kindly specify.

_____

43. What is your marital status?

☐ Single ☐ Married ☐ Widowed ☐ Divorce ☐ Separate

44. What is your religion preference?

☐ Buddhist ☐ Muslim ☐ Christian ☐ Roman Catholic

☐ Jewish ☐ Other, please specify _____

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