

ADAPTATION STRATEGIES FOR SURVIVAL OF HOTEL BUSINESS ENTREPRENEURS IN
CHIANG MAI TO COVID-19 SITUATION IN 2020



A Thesis Submitted in Partial Fulfillment of the Requirements
for the Degree of Master of Housing Development in Housing and Real Estate Development

Department of Housing
FACULTY OF ARCHITECTURE

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วิทยานิพนธ์ฉบับนี้มุ่งศึกษาเกี่ยวกับการปรับตัวเชิงกลยุทธ์ของผู้ประกอบการโรงแรมใน
 จังหวัดเชียงใหม่ ต่อสถานการณ์การแพร่ระบาดโควิด-19 รวบรวมข้อมูลจากโรงแรม โดยแบ่ง
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 เว็บไซต์ OTA วิเคราะห์ข้อมูลด้วยวิธีการเก็บข้อมูลอย่างต่อเนื่องรายสัปดาห์ จำนวน 154 โรงแรม
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Priya Paepuang : ADAPTATION STRATEGIES FOR SURVIVAL OF HOTEL
BUSINESS ENTREPRENEURS IN CHIANG MAI TO COVID-19 SITUATION IN 2020.

Advisor: Asst. Prof. BUSSARA POVATONG

This research aims to explore the adaptation strategies for the COVID-19 pandemic by hotel entrepreneurs in Chiang Mai. Data was mainly collected from 154 hotels categorized into 4 types by Department of Provincial Administration and Online Travel Agency (OTA). Data analysis was conducted through data collecting week-by-week from 1st February to 31st December 2020 and the relationship of measurements and adaptation indicators was diagrammed. Moreover, this research interviewed four entrepreneurs of hotel type 2 in two areas including Nimmanahaeminda Road and the Old town.

There are three major findings:

1. The target group is different in different locations. For example, the consumer focus group of hotels located in Nimmanahaeminda Road is mainly Thai guests. Its average price trend is positive.

2. The opening and closure of each location reflects adaptation strategies. For example, hotel type 4 located in the Old Town was closed approximately 63 days.

3. Adapting strategies of Chiang Mai's hotel entrepreneurs can be applied in

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TABLE OF CONTENTS

	Page
.....	iii
ABSTRACT (THAI)	iii
.....	iv
ABSTRACT (ENGLISH)	iv
ACKNOWLEDGEMENTS	v
TABLE OF CONTENTS	vi
Chapter 1	1
Introduction.....	1
1.1 Background and significant of study	1
1.2. Research Questions	4
1.3. Research Objectives.....	4
1.4. Terms of Definition	5
1.5. Scope of the study.....	6
1.5.1. Scope of content.....	6
1.5.2 Scope of area & sample.....	6
1.5.3 Scope of time	7
1.6. Research Contribution.....	7
CHAPTER 2	8
Literature Review	8
2.1 Adaptation strategies.....	8
2.2 Hospitality industry and business cycle.....	9

2.2.1 The hotel industry cycle.....	9
2.2.2 Long-run hotel industry business cycle: case study of the United States..	9
2.2.3 Short-run hotel industry business cycle: case study of Taiwan during SARS outbreak	10
2.4 Pandemic Transformation and tourism / Lifestyle entrepreneurs.....	12
2.5 Related Research.....	14
CHAPTER 3	20
Research Methodology.....	20
3.1 Conceptual Framework.....	20
3.2 Research Method Framework.....	21
3.2.1 Population	22
3.3.1 Macro data collection method	25
3.3.2 Micro data collection method	25
3.4 Data Analysis Methods.....	27
3.5 Reporting Methods.....	30
CHAPTER 4	32
The impact of COVID-19 pandemic to tourism-based city: Chiang Mai	32
4.1 COVID-19 pandemic and its impact on tourism in Thailand	32
4.1.1 Impacts on tourism industry.....	32
4.1.2 COVID-19 impact on hotel business in Thailand	34
4.1.3 Impact on hotel business Chiang Mai as a one of tourism destinations...37	
4.2 Hotels characteristics in three main areas of Chiang Mai.....	38
4.3 Adaptation strategies of hotel types in three locations.....	43

4.3.1 Hotel Opening and closure patterns of 154 hotels in Chiang Mai between 1 st of March 2020 – 31 st December 2020	43
4.3.1.1 Nimmanahaeminda Road.....	43
4.3.1.2 Old Town	47
4.3.1.3 Night Bazaar.....	49
4.3.1.4 Comparison of three locations: Nimmanahaeminda Road, Old Town and Night Bazaar	52
4.4 Price changes	57
4.4.1 Nimmanahaeminda Road	57
4.4.2 Old Town.....	60
4.4.3 Night Bazaar	62
4.4.4 Comparison of three areas’ average price changes.....	64
Chapter 5	67
Adapting Strategy of Hotel Entrepreneurs in Chiang Mai.....	67
5.1 Case study#1: Victoria Nimman Hotel	68
5.1.1 Hotel Information	68
5.1.2 Adapting strategy in terms of Marketing	68
5.1.3 Adapting Strategy in terms of management	69
5.1.4 Government policy applied by the hotel:	69
5.1.5 Entrepreneur’s forward- looking perspective:	69
5.2. Case Study#2: Hotel MAYU Chiang Mai.....	70
5.2.1 Hotel information	70
5.2.2 Adapting strategy in terms of Marketing	71
5.2.3 Adapting Strategy in terms of management	71

5.2.4 Government policy applied by the hotel:	71
5.2.5 Entrepreneur's forward- looking perspective:	71
5.3. Case study#3: MD HOUSE Chiang Mai.....	71
5.3.1 Hotel Information	72
5.3.2 Adapting strategy in terms of Marketing	72
5.3.3 Adapting Strategy in terms of management	73
5.3.4 Government policy applied by the hotel:	73
5.3.5 Entrepreneur's forward- looking perspective:	73
5.4 Case study#4: Hotel Rosy	74
5.4.1 Hotel Information.....	74
5.4.2 Adapting strategy in terms of Marketing	74
5.4.3 Adapting Strategy in terms of management	75
5.4.4 Government policy applied by the hotel:	75
5.4.5 Entrepreneur's forward-looking perspective:.....	75
5.5 Human Resource	77
5.6 Physical appearance of the building	78
5.7 Marketing	78
5.8 Service.....	79
5.9 Financial.....	79
Chapter 6	82
Conclusion, discussion and recommendations	82
6.1 Summary	82
6.1.1 Adaptation Strategies.....	82
6.1.2 Business Adaptation Strategies of case study 4 cases.....	83

6.1.3 Overview of Chiang Mai hotels adapting differences between types and locations.....	84
6.2 Discussion.....	85
REFERENCES.....	90
VITA	93



Chapter 1

Introduction

This chapter consisted of 6 topics which are background and importance, research questions, research objectives, terms of definition, scope of study and research distribution.

1.1 Background and significant of study

Hotel industry is one sector of tourist industry. It is one of the real estate markets that have been most affected by the outbreak of the COVID-19. According to the sluggishness of the tourism business sector, especially the foreign tourist market, has contracted because of the pandemic crisis causing a decrease in hotel demand in Thailand. In addition, it also affects revenue from venue services for parties and conferences. All activities delayed during this period; the occupancy rate is expected to decrease by more than 50%. The situation has a high impact on the hotel business, both small and large hotels, as the developers have to cope with the relatively high fixed operating costs. In 2020, the result of closing down the business and the main situation of the spread of the COVID-19 virus in Thailand spread continuously.

Thailand is highly well-known for tourism which accounted for 20% in 2019 (the Office of the National Economic and Social Development Council, 2019). Thai tourism sector plays a crucial role in enhancing national income, nation's business activity, and job creation. It is an easy moneymaker and a shortcut to economic development. This led Thai real estate development to grow and competitive to other ASEAN nations and still able to grow in long run (the Office of the National Economic and Social Development Council, 2019). However, at the beginning of 2020, COVID-19 pandemic has a huge effect on Thai tourism especially in the hospitality business. Year 2020 is the year of COVID-19 pandemic in which every country tries to cope with this

outbreak. Thailand's Public Health sector has imposed travel to reduce the risk of COVID-19 (Thailand's Public Health Organization). There have been many events in the past when the tourism industry has suffered from sudden and unexpected downturns in international tourism demand. This is because it is so inherently susceptible to the effects of negative international circumstances. There are many negative factors affecting the tourism industry which might be negative situations or environmental factors that influence tourism demands; for example, natural disasters, social or political instability, wars, economic crises, terrorism and outbreaks of contagious diseases such as SARS, bird flu or foot-and-mouth (WHO, 2003). Campbell (1999) defined a crisis as a diverse event which has the potential to seriously damage an employees, operations, business and company's reputation. Stafford, Yu & Armoo (2002) describe a crisis as a situation that is severely detrimental to a company's long-term profitability, growth or even survival or can tarnish a company's reputation. Prideaux et al. (2003) describes the difference between crisis and disaster that crisis defines as the possible but unexpected result of management failures which are concerned with the future event set by human action or inaction precipitating the event. On the other hand, a disaster is defined as an unpredictable catastrophic change that can normally be responded to only after the event, either by implementing contingency plans already in place or through reactive responses (Sawalha et al., 2013). According to their definition, a crisis is caused by lack of management planning, and therefore could have been anticipated, while a disaster can only be responded to after the event, and human involvement, therefore, can only be reactive (Wang & Hsiao, 2014).

Chiang Mai is one of tourist destination in Thailand which plays an important role in Thai tourism sector. Chiang Mai has approximately one million population. It is the largest city in the north of Thailand. Chiang Mai located approximately 700 kilometers apart from Bangkok, among the highest mountain of the country where Ping River flows across as a major tributary of Chao Phraya River. At the present time, Chiang Mai has become a modern city and tourism attractive. However, it is a major place for travelers, retiring expats, backpackers, vice versa. Many who come here usually return or stay for years when they had meant to stay only a few weeks. People who visit Chiang Mai

might seek for a trekking adventure or a spiritual awakening as they travel from temple to temple.

Thus, COVID-19 dramatically affected Chiang Mai hospitality business and gross regional product. There are 154 hotels have been studied week-by-week to follow up and summarize the effect on COVID-19 situation on hotel's entrepreneur and hotel business itself. On this paper, 154 hotels will be categorized into two dimensions of hotel which are 3 location and 4 hotel type which legally categorized by Department of Provincial Administration and Thai Hotel Association. Three main locations include Nimmanahaeminda, Old Town and Night Bazaar. This research found that among hotel type 1 in 3 different locations, the only area which has some hotels remained open is Old town. This is because type 1 hotel is the hotel that fit with guests who has no vehicle and it is accessible by feet. Type 2 has the most amount in every area. It usually has parking lot as a facility. Unsurprisingly, only Nimmanahaeminda area which available during March-December. There are only 3 hotels which is Type 3. For Type 4 hotel, it has most effect because dining room, seminar room and ball room. Finally, there is only one out of 4 hotels open in Old town.

As mention above, this led to three main research question which are: first, what Chiang Mai hotel business situation during covid-19 period is. Second, how to maintain or cope with this kind of crisis in terms of entrepreneurs. Third, what the difference in business strategies between different hotels and what are the factors that helps business to recover is. For research contribution, government will be able to enhance policy in order to promote Thai Economy. Enterprises will learn hotels' adapting strategies in order to maintain business through COVID-19 situation. For researchers, they can develop further research about adapting strategies when unexpected event such as pandemic breaks the economy worldwide.

Hence, the scope of study of this paper will mention about related theories and framework about hotel business during Covid-19 situation which affected both microeconomics and macroeconomics.

From the searching and surveying at the beginning of this research, it was found out that there are some hotels that have been taken over because of budget shortage. However, there are many hotels which able to survive through the crisis in different strategy between different hotels which include 5 factors which are finance, marketing, human resource, physical and service. Hence, the researcher found out that this is an interesting topic to study because in this depression period of Thai Economy, both government and private sector work together as a team in order to survive and sustain the business.

1.2. Research Questions

1. What is Chiang Mai hotel business situation during covid-19 period?
2. How to maintain or cope with this kind of crisis in terms of entrepreneurs?
3. What is the difference in business strategies between different hotels and what are the factors that helps business to recover?

1.3. Research Objectives

1. To explore the change in the hospitality business during an unexpected circumstance which is Covid-19 situation
2. To examine the adaptation strategies of hospitality entrepreneurs to recover and able to maintain business through the crisis
3. To investigate the related factors to cope with the crisis
4. To explore the lessons learned from dealing with the unprecedented crisis as a reference for hotels in case of future outbreaks

1.4. Terms of Definition

Adaptation to change is 3-wave study to examine the micro process of how employees adapt to change over time. Combining Conservation of Resources theory and the organizational change literature. A model was tested where employee adaptability, operationalized by the presence of resources, predicts individual adaptive attitudes as well as adaptive behavior over time. Change information was included as a contextual change resource and meaning maker as a personal change resource. The research design allowed for examining longitudinal relationships by capturing data (1) *before* (Time 1), (2) *during* (Time 2), and (3) *after* change implementation (Time 3). (Van den Heuvel, 2013)

Adaptation Strategy is an effective customer-orientation strategy. Adaptation strategy implies changing various aspects of products and services to a considerable extent in order to meet the needs of consumers in international markets taking into account their differences (Chung, 2009).

Crisis Management is the identification of threats to an organization and its stakeholders, and the methods used by the organization to deal with these threats. Due to the unpredictability of global events, organizations must be able to cope with the potential for drastic changes in the way they conduct business in order to reduce (Kyobe, 2010).

Cycle of hospitality business is the idea of the product life cycle may be traced all the way back to Kuznets (1930) who studied the time series of output and prices for number of products.

COVID-19 was discovered and named during the 2019-2020 corona outbreak which affected may develop a fever, dry cough, fatigue, and shortness of breath. A sore throat, runny nose or sneezing is less common. While the majority of cases result in

mild symptoms, some can progress to pneumonia and multi-organ failure (Source: WHO,2020)

Resilience A capacity to persist, adapt or transform in the face of change in a way that maintains the basic identity of a system which linked with long-term human survival and well-being.

1.5. Scope of the study

The scope of study consisted of three perspectives including scope of content, scope of area & sample, and scope of time.

1.5.1. Scope of content

This research will explore the change from Covid-19 situation in the hospitality business between 1st March – 31st December 2020. Second, this research will show the adaptation strategies of hospitality entrepreneurs to recover and able to maintain business through the crisis. Third, investigating the related factors to cope with the crisis and analyzing the difference of coping strategies between different hotels related theories and framework about hotel business during Covid-19 situation which affected both microeconomics and macroeconomics.

1.5.2 Scope of area & sample

There are 2611 hotel listed online on OTA. Nonetheless, there are only 286 hotels which have legal rights to run hospitality business. Furthermore, there are 33 hotels closed and some have been taken over. Thus, there are only 253 hotels legally listed on OTA. From this research criteria, 154 hotels have been studied week-by-week

to follow up and summarize the effect on COVID-19 situation on hotel's entrepreneur and hotel business itself.

1.5.3 Scope of time

This research has mainly 3 ways to collect the data which are; 1st of March to 31st of December 2020 collecting data week-by-week from online travel Agency, 1st of March to 31st of December 2020 monthly site analysis and field survey, and 1st of November to 31st of December 2020: Executive interviewed by designed survey.

1.6. Research Contribution

1. Government: Enhancing policy in order to promote Thai Economy especially in policy formation and tourism of the main travelling city of Thailand
2. Enterprises: Learning the difference between different hotels about adapting strategies in order to maintain business through COVID-19 situation.
3. Researchers: Developing further research about adapting strategies when unexpected event such as pandemic breaks the economy worldwide.

CHAPTER 2

Literature Review

This chapter consisted of 4 main parts which are adaptive to change strategies, hospitality industry and business cycle, crisis management strategies and related research.

2.1 Adaptation strategies

According to Adaptation to Change (Foster & Foster, 2005), there are 4 main ways in order to adapt to change which are company financial sites (i.e. budgeting), human resource issues in business libraries: staff recruitment and development (i.e. Staffing Knowledge management), country and economic sources sites business news, market research sites, country and economic sources. There are many mechanisms to cope that able to adapt to change in the business; for example, in staffing issue the reduction in staff has had a minimal effect on service delivery. This led to us providing a more productive services which able to allow people to work harder. Furthermore, trying to stay at the top as a market competitor looking for ways to work smarter. The size of business has decreased over-all and its focus has changed from making lots of smaller investments to doing fewer and larger deals. More data has also been put on the desktop and some 'distributed marketing' roles have been created, where users in some departments have been given access to additional sources. By management, all internal support departments were asked to reduce the level of service they provide. This reduced the time which they able to spend on the more complex requests and have reduced the breadth and depth of services they offer.

2.2 Hospitality industry and business cycle

Most efforts to develop business cycle theories have come in this century (Chen et al., 2014). Some explanations emerged in the 19th century, from what called the underworld of economics (Heilbroner, 2011).

2.2.1 The hotel industry cycle is known as the aggregate business activity of the whole hotel industry. Because the total receipts of the hotel industry in a given period represent the market value of all goods and services which are produced in the hotel industry in the period, it is safely said that the aggregate business activity of the hotel industry can be represented by the data of total receipts of the industry (Chen et al., 2014). The hotel gross receipts measure includes all receipts from all hotel business units including room division and non-room divisions. Industry capacity is measured by the total number of hotel rooms in use. The gross hotel receipts already incorporate such a concept because the industry pricing already reflects what is going on with capacity and occupancy measures.

2.2.2 Long-run hotel industry business cycle: case study of the United States

(Olsen et al., 2008), pointed out that the development for the US hotel industry a business cycle would cover hotel activity that would represent the magnitude of growth of the industry. For the 28-year period (from 1966 to 1993), the hotel industry demonstrated three cycles (peak to peak or trough to trough). The hotel industry reached the highest in 1967, 1973, 1980, and 1989. The industry troughed in 1969, 1974, 1982, and 1991. The mean duration of the hotel industry cycle is 7.3 years, calculated either by peak to peak or trough to trough. This means that the next peak could be 1996 or 1997 if the past trends take the same track. The hotel industry declined sharply after it reached the peaks. The duration for the contraction is approximately two years and the duration for the expansion is about six years. The hotel industry cycle was reformed with the hotel industry growth cycle based on year-over-year growth rate. The hotel industry experienced high growth (boom) every four

or five years. The average expansion period is about three years and the average contraction period is about two years. The hotel industry led the general business cycle peaks by about 0.75 year and also led at troughs in the general business cycle by roughly 0.5 year. The results of this study provide useful guideposts for taking every possible advantage of the cycle study to the practitioners and researchers in the hotel industry.

2.2.3 Short-run hotel industry business cycle: case study of Taiwan during SARS outbreak - The business cycle of the hotel industry such as in Taiwan, known as an export-oriented country, has never been considered a popular international tourist destination. However, the development of the tourism market could significantly contribute to the national economy. The Taiwanese government has implemented a variety of tourism strategic plans to promote the tourism market (Chen et al, 2005; Kim et al, 2006; Chen, 2011). In 2003, the outbreak of severe acute respiratory syndrome (SARS) affected the inbound tourism market and domestic tourism activities. On the other hand, from 2003 to 2010, this represents a 147.56% growth rate in tourism and recreation in Taiwan. However, the outbreak of SARS on 22 April 2003 had the largest negative impact on the total hotel room sales revenue. An upward growth trend after the SARS outbreak continued until the global financial crisis struck in 2008. The adverse influence of the 2008 financial crisis on total hotel room sales might be down to a significant drop in the disposable income of tourists. The total hotel room sales; however, rebounded quickly at the end of 2009. The development of the international tourism market and the domestic tourism activities in Taiwan expanded. Chen et al (2009) mentioned that the expansion of tourism activity was partly due to the rising income of residents. Furthermore, Chen et al (2009) pointed out that the governmental policy changes in Taiwan were another major factor to the popularity of domestic tourism activities. The expansion of both domestic and international tourism markets has created a significant demand for hotels and hospitality services which is expected to have a beneficial effect on hotel companies. Chen (2010, 2011) mentioned that the development of the tourism market, the growth of total foreign tourist arrivals had a significant influence on various Taiwanese hotel firm performance measures, including

occupancy rate, revenue per available room (RevPAR), return on asset (ROA) and return on equity (ROE). Thus, empirical findings can offer useful information and policy implications for government tourism policymakers and hotel business managers. Sonmez et al. (1999) noted that a lack of preparation can result in the loss of visitor confidence, a permanently damaged image, loss of revenues, and requires heavy advertising costs to regain public confidence and rekindle customers' interests. However, there were signals that a smooth recovery in the tourism industry after the World Health Organization (WHO) announced permission to travel to the SARS-affected areas. As a result, for the first week of July 2003 the occupancy rate went up to about 65%, nearly the level prior to the SARS outbreak, this was because tourists' confidence in traveling abroad was being restored.

2.3 Crisis Management strategies

A crisis management system and action plans for its implementation should be ready to spring into action (Sawalha et al., 2013). It is also suggested that the crisis management team should be better trained to make innovative and effective decisions in any crisis situations or circumstances. With opportunity comes danger, the only way to turn a crisis situation into an advantage is to quickly recognize what is happening and trigger predetermined plans to prevent the crisis (Brower & Chalk, 2003; Burnett, 2002; Rosenthal, Boin & Comfort, 2001). The first action taken by the hotels should have been to hold special meetings for all employees to plan the best strategies for the hotel. On the other hand, outcomes brought out by crisis management provided the developing strategies basis to overcome this epidemic. It is suggested that hotel management pay closer attention to the importance of crisis management and adopt a practical and realistic approach to overcome crises (Netten & van Someren, 2011). There are four-step procedure that is suggested: first, all employees should be informed at least one week before a layoff. Second, layoff criteria such as performance, seniority, and payment should be made clear to all employees. Third, the layoff exercise is considered fair. Fourth, positive and factual messages should be delivered to those who will be laid off and those who

remain. Survivors may normally experience stress and have a low morale. The hotel should provide counselling services for those who have survived the layoff (Duncan et al., 2011). Human resources management must comply with industrial hygiene and health standards, industrial standard and international standards. To uphold these standards, hotel management need to understand the importance and the details of these provisions; communicate with staff members and establish internal rules and guidelines that can be easily followed (Wang, 2009). It is unjustifiable to believe that there is nothing a hotel and its management can do about a crisis such as the outbreak of SARS. It is certainly beyond the ability of the hotel industry to work out a solution to the incident. There are, however, initiatives that can be taken that would be helpful for overcoming the crisis. More importantly, it is the responsibility of the management to prepare themselves and their corporation for unexpected crises that may emerge.

2.4 Pandemic Transformation and tourism / Lifestyle entrepreneurs

It is crucial to acknowledge that global tourism has been exposed to a wide range of crises. During 2000 and 2015, major disruptive events include the September 11 terrorist attacks (2001), the severe acute respiratory syndrome (SARS) outbreak (2003), the global economic crisis unfolding in 2008/2009, and the 2015 Middle East Respiratory Syndrome (MERS) outbreak. These crises did not lead to a longer-term decline in the global development of tourism, but SARS (-0.4%) and the global economic crisis (-4.0%) leading to declines in international arrivals (World Bank 2020a, 2020b). This means that a system has been resilient to external shocks which the impact and recovery from the COVID-19 pandemic will be unpredictable. The relationship between tourism and pandemics is the reflection of the worldwide industry and governments. Furthermore, there have been several warnings that pandemics posed a major threat to society and tourism from both tourism (Hall et al., 2020). The main reasons for the increasing pandemic threat in the 21st century include a rapidly growing and mobile world population; urbanization trends and the concentration of people; industrialized food production in global value chains;

increased consumption of higher-order foods including meat; and, the development of global transport networks acting as vectors in the spread of pathogens (Pongsiri et al., 2009; Labonte et al., 2011). Disease outbreaks such as SARS, Ebola, etc.

For supply side of hotel business, tourism entrepreneurship has been lifestyle entrepreneurs. A lifestyle entrepreneur decides on the kind of lifestyle they want to enjoy and then builds their business in a way that supports it. It's different from how other entrepreneurs operate, which is to put the business first and then design their lifestyle to accommodate it. Lifestyle entrepreneurs put great emphasis on freedom (such as working a particular number of hours or traveling as they see fit) as well as passion. They may want to work only enough to earn a certain income, which in turn supports their lifestyle of choice. Therefore, they may be less focused on growth than other entrepreneurs. They are motivated by the demand of living a certain quality of life by maintaining an income which enable them to survive. They usually have some traits in common such as being good communicators, enjoying interacting with people, and having high levels of education.

2.5 Related Research

Table 2.1: Literature Review Summary Table

Author	Year	Source	Title	Findings
Robert Heilbroner	1953		The Worldly Philosophers: The Lives, Times and Ideas of the Great Economic Thinkers	Conducting at great length by early economists, the duration of business cycles varied from more than 1 year or 12 years. Business enterprises typically consists of prosperity into boom, sliding into recession, recovering, and launching into a new phase.
Jeong-Gil Choi, Michael D. Olsen, Francis A. Kwansa, Eliza Ching-Yick Tse	1999	International Journal of Hospitality Management	Forecasting industry turning points: the US hotel industry cycle model	The mean duration of the hotel industry cycle is 7.3 years. Hotel industry declined sharply after it reached the peaks, the duration for the contraction is two years. The hotel industry cycle was reformed industry growth cycle based on y-o-y growth rate.

Author	Year	Source	Title	Findings
Allan Foster	2005	Keele University, United Kingdom	Adapting to change	Adapting Strategies mechanism help to reduce the time help to spend on the more complex requests and have reduced the breadth and depth of services they offer. There are mainly 4 ways which adapt to change which are company financial sites, Human Resource staff recruitment and development, economic sources.
Ming-Hsiang Chen, Kun Lun Wu, Hung Jen Su	2014	Tourism Economics	A study of the Business Cycle of the Hotel industry in Taiwan	SARS outbreak affected the inbound tourism market and domestic tourism activities. In addition, the governmental policy changes in Taiwan were another major factor to the popularity of domestic tourism activities. Both domestic and international tourism markets have created a significant demand for hotels.

Table 2.2: Literature Review Summary
During COVID-19 situation related literature

Author	Year	Source	Title	Findings
Dogan Gursoy, Christina G. Chi	2020	Journal of Hospitality Marketing & Management	Effects of COVID-19 pandemic on hospitality industry: review of the current situations and a research agenda	Hospitality industry is slowly recovering. However, it needs substantial changes to its operation in the COVID-19 business environment. It needs strategies to flatten the COVID-19 curves such as lockdowns, social distancing and stay-at-home orders, and mobility restrict. Hospitality business mostly depends on the demand for services and products.
Viachaslau,F., Belen,D., Jorge,M.	2020	International Journal of Hospitality Management Volume 91, October 2020.	The COVID-19 pandemic and organizational commitment of senior hotel managers	the main negative factors, long(er) term implications of COVID-19 for the hotel attractiveness of hospitality occupations. This perceived insecurity which negatively affect future recruitment of hotel staff.

Author	Year	Source	Title	Findings
Angelo Bonfanti, Van Vigolo, Gorgia Yfantidou	2021	International Journal of Hospitality Management Volume 94, April 2021, 102871	The impact of the Covid-19 pandemic on customer experience design: The hotel managers' perspective	Hospitality is one of the most affected industries, suffering a global crash in demand, occupancy rates, and revenues. Hospitality services, especially hotels, are operating under severe restrictions and a “new normal” needs to be defined. Hotel managers are planning how to safely run activities, and, given the continuing of the pandemic, there is uncertainty regarding how the situation may evolve.

Author	Year	Source	Title	Findings
Basak_Denizci Guillet	2021	International Journal of Contemporary Hospitality Management	Managing hotel revenue amid the COVID-19 crisis	<p>The revenue management discipline is built on the principle of demand-based pricing. The hotel industry implemented during low-demand periods, particularly during the coronavirus disease 2019 (COVID-19) crisis. Inventory and price optimization and setting booking controls are not as important at this time; along with distribution channel management, these processes will become more relevant as demand picks up. A hotel forecasts high demand or demand exceeds the capacity, higher prices and more restrictions are set to target the selected customers. Conversely, when demand is low, there is less opportunity to yield through pricing.</p>

Concluding Remarks

1. These studies were conducted at great length by early economists. The duration of business cycles varied from more than one year to ten or 12 years. The hotel industry cycle was reformed with the hotel industry growth cycle based on year-over-year growth rate.
2. The expansion of both domestic and international tourism markets has created a significant demand for hotels and hospitality services which is expected to have a beneficial effect on hotel companies.
3. Negative factors affecting the tourism industry: there have been many instances in the past when the tourism industry has suffered from unexpected and sudden downturns in international tourism demand.

In conclusion, these remarks meant that hotel business cycle has a duration and customer focus group can determine number of hotel customers. Moreover, the impact of Economic downturn such as shock in international tourism demand able to directly affect hospitality business. COVID-19 situation led to adapting strategies which structured by 5 factors including Human Resource, finance, physical, service and marketing. For hotel business, adapting strategies determined by 3 variables which are policy, entrepreneurs' conceptual framework, and type of hotels.

CHAPTER 3

Research Methodology

This chapter will mention about research methodology, conceptual framework, research method framework, population and sampling, site sampling selection and interview research contribution, data collection methods and reporting methods.

This research is qualitative research which relied on data obtained by the researcher from interviews, questionnaires, participant-observation, recordings made in natural settings, documents, and artifacts. There are two ways of research data collecting process which are primary collecting data and secondary collecting data. For primary collecting data, this research will do in-detail interview with 4 hotel entrepreneurs. For secondary collecting data, this research's data has been collected week-by-week via online travel agency in order to follow up between situation of COVID-19 and policy change to explore the changes and adaptability in hotel business.

3.1 Conceptual Framework

There is policy in Chiang Mai enact in order to cope with covid-19 pandemic in terms of both Macro policy and Micro policy for entrepreneur. There are 2 main strategies to cope with this problem which are Adapting to change strategies and business cycle. Adapting to change strategy(Foster & Foster, 2005) consisted of 4 main factors which are marketing, financing, human resource and service. Firstly, marketing is very important to firms. The more successfully market and promote services, the more awareness and usage (marketing initiatives including business planning). Secondly, finance sector plays a crucial role when there is low occupancy rate. For example, financial staff budget during low occupancy rate is to maintain the business. Thus, leave without pay policy may help both entrepreneur and workers. Generally,

entrepreneur can balance their budget during hard time and workers able to leave the workplace in order to stay safe from the pandemic and satisfied with the income(Foster & Foster, 2005). Thirdly, service is core business of hotel business. Hence, it is undeniable that service is hard during pandemic time. Fourth, human resource issues in business libraries are staff recruitment and development. Human resource may slow down in term of hiring(Foster & Foster, 2005).

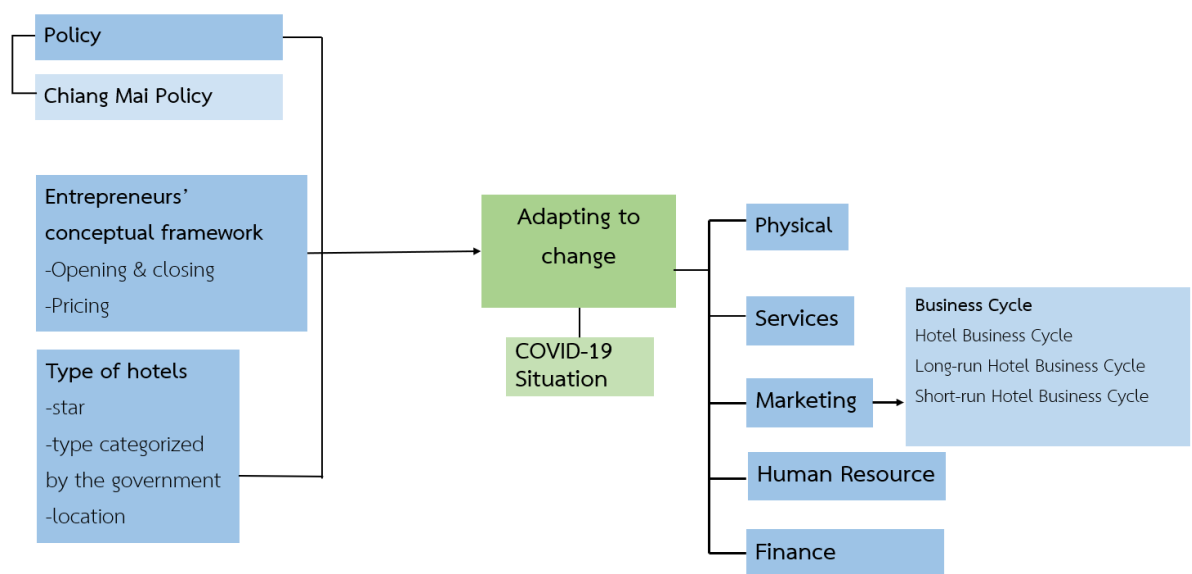


Figure 3.1: conceptual framework

Source: Researcher

3.2 Research Method Framework

Adaptation of hotels' entrepreneurs in Chiang Mai is collected by 2 types of data which are Primary data and secondary data. Primary data is a data that directly collected from main sources. In this paper, primary data consisted of 2 main techniques including field survey and interviews. For secondary data, this research used week-by-week data via online travel agency (OTA) to follow see the changes in COVID-

19 situation by the effect of policy and the number of infectors to explore the adaptability in hotel business.

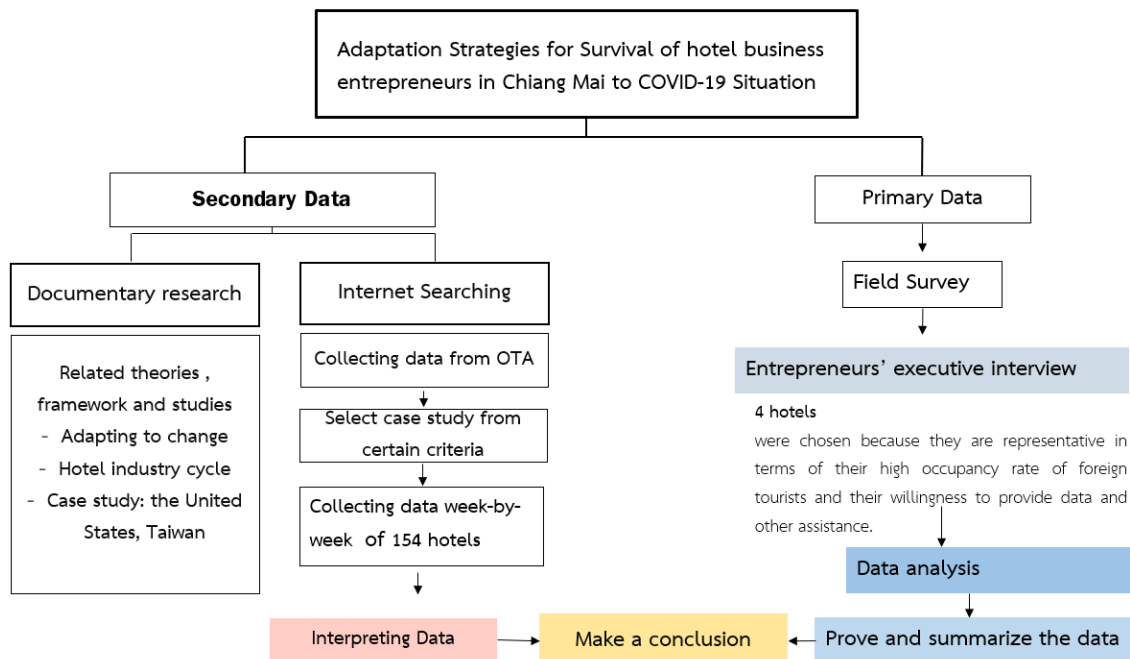


Figure 3.2: Research Method Framework (Source: Researcher)

3.2.1 Population

Total hotel business in Chiang Mai accounted for 2611 hotels. However, there are only 286 legally signed up to do hotel business. There are 33 hotels have been closed or took over before COVID-19. So, there are 253 hotels available on OTA site. This research has been focused on easy access and location that generate income for Hotels in Chiang Mai. Thus, this paper focused on three areas which are Night Bazaar, Nimmanahaeminda and Old town.

3.2.2 Sampling

For site sampling selection, this research categorized hotels into 4 types which originally categorized by Department of Provincial Administration and Thai Hotel Association in order to see the impact and its adapting strategy. Hotel type 1 is hotel that has less than 50 rooms and dining room is not required. Hotel type 2 is hotel that has area not less than 8 sq.m. and must have dining room. Hotel type 3 is the type that require to have toilet in the room and must have dining room and seminar room.



Table 3.1: Hotel type categorized by DPA and THA

Hotel type	Hotel room	Room requirement	Hotel Requirement
Hotel Type 1	Less than 50 rooms	Toilet and bathroom are not required to be in the room	Room only
Hotel Type 2	Usable area not less than 8 sq.m.	Toilet and bathroom are not required to be in the room	Room and dining room
Hotel Type 3	Usable area not less than 14 sq.m	Toilet and bathroom must be in the room	Room, dining room or seminar room
Hotel Type 4	Usable area not less than 14 sq.m.	Toilet and bathroom must be in the room	Room, dining room and seminar room

Source: Department of Provincial Administration and Thai Hotel Association

One of the most important strategy that need to apply to a hotel revenue management is market segmentation. It allows you to target and market to a variety of consumers with different group of behavior with an offer that matches their needs and budget level. This way, each hotel has to decide what segmentation best fits with their market, property, and building design. Even though the price does not decide the market segmentation, hotel market segmentation may help to identify the purpose of the trip: either business or leisure. Moreover, the clear distinction must also be achieved between individual and group business (Landman, 2020).

The market segmentation that helps in identifying the trends in hotel business will be as follow length of Stay, number of days stay, total revenue per room, total revenue per client, cancellation percentage and no-show ratio. Market segmentation differences depending on the hotel type differences hotel market segments created an example indicating what each of the main hotel types could expect in terms of business.

Firstly, researcher selected from hotels which available on Online Travel Agency(OTA). Secondly, researcher selected hotels which also registered with DPA. Thirdly, there are some hotels which have already been closed down and there are some hotels which located in other area than in the heart of the city. There are 154 hotels which have been selected in three main locations of Chiang Mai including Nimmanhaeminda, Old Town, and Night Bazaar.

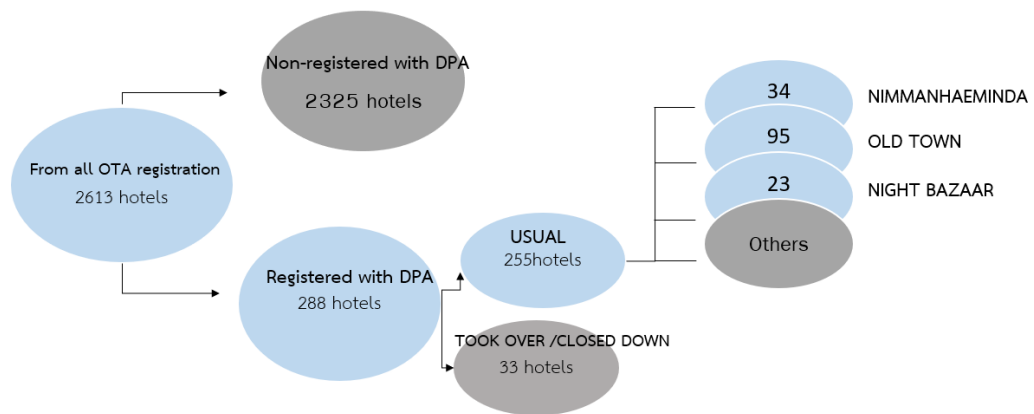


Figure 3.1: Hotels registration with Department of Provincial Administration

This research studies 154 hotels in Chiang Mai from 3 main locations including Nimmanhaeminda, Old Town, and Night Bazaar. This research will do in-depth interview with 4 hotel entrepreneurs from 3 main locations about adapting strategies and the different strategy between 4 hotels including 2 hotels located in Nimmanhaeminda area and 2 hotels located in Old Town.

3.3. Data Collection Methods

A method process of analyzing and gathering specific information to answer relevant questions and evaluate the results. Data collecting method focuses on finding out both micro and macro-analysis questions. Data is collected to be further subjected to hypothesis testing which seeks to explain a phenomenon. This research is consisted of two main data collecting method which are macro analysis data collection method and micro data collection method.

3.3.1 Macro data collection method is to make an observation gathering firsthand information which help understand more about the related context. Firstly, researcher collected week-by-week data via online travel agency in order to follow up between situation of COVID-19 and policy change to explore the changes and adaptability in hotel business. Secondly, researcher did a field survey gathering secondary information and prove with field survey.

3.3.2 Micro data collection method is the information at the individual respondents. Researcher made an interview. Due to COVID-19 situation, some interviews have been conducted in person, and some by phone. The interviewees will be selected among 154 hotels which have been legally signed up with DPA and have been sold on online travel agency (OTA).

Table 3.1.: week-by-week data collecting from OTA between 1 February – 31 December 2020 by researcher

HOTEL NA	TYPE	open	ROOM	STAR	Type	AEC	APR I	APR II	APR III	APR IV	MAY I	MAY II	MAY III	MAY IV	JUNE I	JUNE II	JUNE III	JUNE IV	JULY I	JULY II	JULY III	JULY IV	AUG I	AUG II	AUG III	AUG IV	SEP I	SEP II	SEP III	SEP IV	OCT I	OCT II	OCT III	OCT IV	
Hotel Na	open	2018	102	2.5	Hotel	420	505	505	505	497	502	502	502	502	497	505	502	502	486	499	487	505	535	535	502	535	535	500	500	500	500	500	500		
Fafafawa	open	2018	79	4	Hotel	1800-									1049				2790	779	787	1121	733	733	766	766	842	831	831	786	1165	1165	1229		
Hotel Na	open	2018	63	4	Hotel	3000	1323	1325																											
Hotel Na	open	2018	60	4	Hotel	2200-	1215	1024	1024	1024	970	917	917	917	970	882	982	982	999	929	929	1005	989	942	1005	940	940	1306	875	901	901	632	632	754	
Hotel Na	open	2018	12	3	Hotel	3800	2652	2652	1856						2650	2650				2121	2121	1921	2037	2081	2113	2066	2066	2614	2017	2017	2100	2363	2363	2363	
Hotel Na	open	2018	18	3	Hotel	935														680	680	680	680	680	680	680	680	680	680	680	501	500	500	500	
Hotel Na	open	2018	4	4	Hotel	1100-														1081	1000	1000	1000	190	902	969	969	1486	819	819	804	871	871	1323	
Hotel Na	open	2018	73	4	Hotel	1800-	1880	1896	closed	forever					1544	1545	1598	1524	1099	1102	1525	1225	1047	1346	1167	942	1167	1162	1162	853	853	877	877	1359	
Hotel Na	open	2018	21	3	Guest House	700-	1300	822	929	929	929	870	870	870	929	929	1070	920	1150			899	920	1067	1095	1148	1019	1000	997	997	959	959	1111	1111	1515
Hotel Na	open	2018	47	3.5	Hotel	1200-	1500																												
Hotel Na	open	2018	73	4	Hotel	475	935	1315	975	open	942	896	896							989	776	776	692	792	738	723	723	879	643	643	596	699	699	699	654
Hotel Na	open	2018	158	5	Hotel	3000-	3500																												
Hotel Na	open	2018	79	5	Hotel	2000	1540								1199	1526	1198	1172	1602	1600	1352	1317	1567	1316	1319	1282	1282	1265	1265	1285	1586	1586	1647	1647	
Hotel Na	open	2018	88	5	Hotel	1000																													
Hotel Na	open	2018	79	2	Hotel	800-	800-	852-81	821-80	708-81	805-4	805-4	800-2	821-23	852-2	738-3	799-3	799-3	1174-3	699-3	776-4	699-3	811-25	658-3	800-4	688-4	688-4	881-3	881-3	875-3	1276-3	1276-3	1196-4	1196-4	
Hotel Na	open	2018	53	3.5	Hotel	800-	800-	3480	2674	3089	2580	2580	2758	2872	4473	3982	3863	3512	3455	3761	3761	3207	3600	3742	3763	3763	3763	3763	3763	3763	3763	3763	3763	3763	3763
Hotel Na	open	2018	30	5	Hotel	1000-	800-	868	800						1345	1345			1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
Hotel Na	open	2018	32	3	Hotel	1000-	800-	868	800						1068	1345			1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
Hotel Na	open	2018	75	3	Hotel	2000	5700	868	800						530	548	590	547	547	547	526	547	547	589	589	700	700	700	548	548	548	548	548	548	590
Hotel Na	open	2018	17	3	Hotel	1100-	1185-								924	924	965	965	899	1153	1055	1286	1336	1349	1478	1478	1837	1840	1840	1647	1647	1647	1647	1647	
Hotel Na	open	2018	79	3	Hotel	1000-	1000-								965	965	965	935	899	1153	1055	1286	1336	1349	1478	1478	1837	1840	1840	1647	1647	1647	1647	1647	
Hotel Na	open	2018	67	3.5	Hotel	1400	1300	1065	1065	1010	1010	1010	1010	1010	1065	1010	933	933	967	1232	1061	945	999	985	1330	1330	1010	936	936	936	936	936	936	936	1228
Hotel Na	open	2018	57	3.5	Hotel	1000	1145	1145	1089	954	1021	1021	1021	969	1011	1028	1036	964	1230	939	1028	993	1005	1011	1000	989	1028	976	976	976	1000	1055	1055	1055	1055
Hotel Na	open	2018	79	4	Hotel	1800-	2800								1049				2790	779	787	1121	733	733	766	766	842	831	831	786	1165	1165	1165	1165	1229

In summary, this paper contained 2 main data collection methods which are macro collecting method and micro collecting method. Macro collecting method is to illustrate about 154 hotels in Chiang Mai close and open pattern during COVID-19 situation which will be implied about adapting strategies of Chiang Mai's hotel entrepreneurs. For micro collecting method, this will imply more in detail about Chiang Mai's hotel entrepreneur adapting strategies by field survey and interview method.

3.4 Data Analysis Methods

Researcher applied the learning cycle (Kolb, 1984) which involves four important stages which included concrete learning, reflective observation, abstract conceptualization and active experimentation. Effective learning can be seen when the learner progresses through the cycle as followed;

1. Concrete Experience is a new experience or situation is a reinterpretation or an encounter of existing experience.
2. Reflective Observation of the New Experience is a particular importance which is an inconsistency between experience and understanding.
3. Abstract Conceptualization reflection gives a rise to a new idea, or a modification of an existing abstract concept.
4. Active Experimentation is the learner which applies their ideas to others to see.

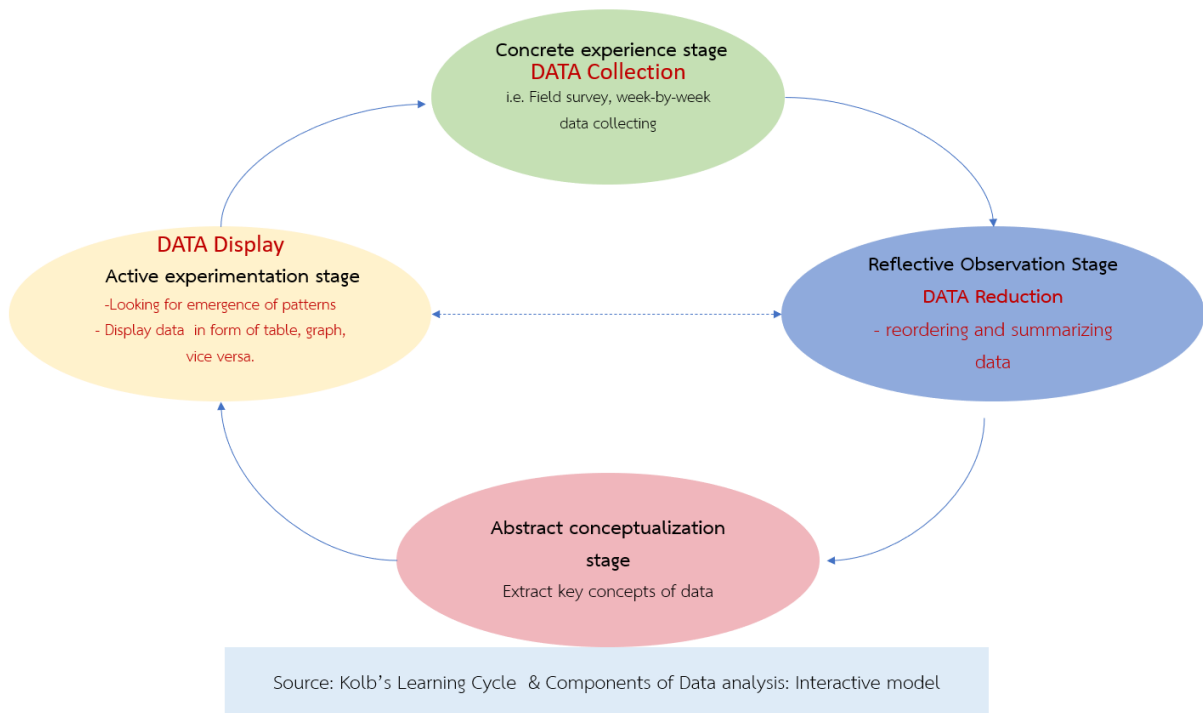
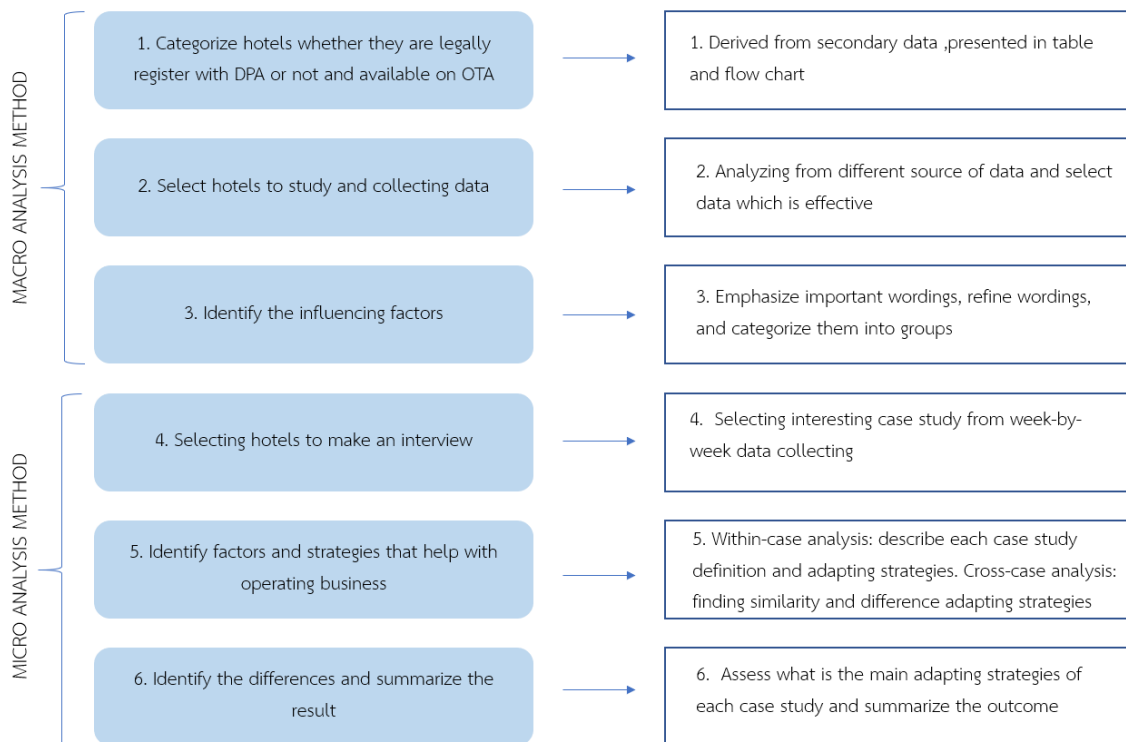


Figure 3.3: Kolb's Learning cycle and Interactive model

Data Analysis methods have been done in two different methods including macro data analysis method and micro data analysis method. Macro data analysis method has three steps. Firstly, separating hotels whether it has been legally registered with DPA or not and has been sold on OTA. Secondly, selecting 154 hotels located in 3 main locations in term of tourist attraction in Chiang Mai. Thirdly, collecting data week-by-week on OTA and labeling the situation. This is because price and its open-closure can tell the pattern of hotel room night, and revenue. For micro analysis method, there are three main steps. First, select 4 hotels which are the process of the population and sampling. Second, to review the current situation of the existing database systems, design the in-depth interview to learn the change in the hospitality business during an unexpected circumstance which is Covid-19 situation. Third, analyzing potential locations how they maintain business through the crisis and which factors related to that in order to examine the difference of coping mechanism between 4 hotels. Finally, summarizing the data and reveal the result.



To sum up, this research included two analysis methods which are macro analysis method and micro data analysis method. Even though these two methods illustrate the difference level of information, micro analysis method is to emphasize the information which acquired from week-by-week price and number of day close macro analysis.

3.5 Reporting Methods

From the data collection process, to reassure the findings from week-by-week survey. This research was selected the sampling group from several criteria to find the difference of coping mechanism between 4 hotels and potential process to maintain the business during COVID-19 situation. This paper will summarize both macro and micro scale data. From macro scale, this paper will explain how 154 hotels of the sampling data work through COVID-19 situation. From micro scale, this paper will explore the effect of COVID-19 on hotel business in Chiang Mai which will be delivered by changing price and time.

Firstly, researcher had done literature review for several months and created conceptual framework along with research background by summarizing previous research about pandemic which has been occurred in the past. Second, researcher select tools and make a research proposal in order to present for research examination. Third, researcher had analyzed the data and made academic journal. Fourth, send draft on February and writing academic journal. Finally, thesis defense occurred during March to April 2021.

Table 3.2: Timeline and procedure of the research (Source: Researcher)

	2563												2564			
	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	
Literature review	■	■	■	■	■	■	■	■								
Conceptual Framework			■	■	■	■	■	■								
Research Background			■	■	■	■	■	■								
Tools design method					■	■	■	■	■							
Research Proposal +Power Point						■	■	■	■	■						
Pre-Test						■	■	■	■	■						
survey	■	■	■	■	■	■	■	■	■	■						
Executive interview									■	■						
Research Examination									■	■						
Research Draft 1-3									■	■	■					
Analyze and conclude the outcome									■	■	■	■				
Analyze the data									■	■	■	■				
Academic Journal											■	■	■			
Research Draft 4-5											■	■	■	■		
Send Draft											■	■	■	■		
Academic Journal Writing											■	■	■	■		
Thesis defense											■	■	■	■		



CHAPTER 4

The impact of COVID-19 pandemic to tourism-based city: Chiang Mai

This chapter will be mentioned about three main topics which are hotels characteristics in three main areas of Chiang Mai, three main areas characteristics of Chiang Mai and comparison of hotel characteristics in three areas.

4.1 COVID-19 pandemic and its impact on tourism in Thailand

4.1.1 Impacts on tourism industry

The world has experienced a number of pandemics in the last 40 years, yet none had similar implications for the global economy as the COVID-19 pandemic which figure 4.1 reveals the rapid increase in a confirmed COVID-19 cases from its epicenter and global GDP changes (ECDC, 2020). The main reason for the increasing pandemic threat in the 21st century is a rapid increasing of global mobility population, so-called urbanization. Disease outbreaks such as SARS, Ebola, Marburg, hantavirus, Zika and avian influenza are all outcomes of anthropogenic impacts on ecosystems and biodiversity (Petersen et al., 2016; Schmidt, 2016; World Bank, 2012).

Table 4.1 Pandemics, population and GDP.

	Mild (Hong Kong flu of 1968-9) ^a	Moderate (1957 Asian flu) ^a	Severe (1918-9 Spanish flu)	Severe (1918-9 Spanish flu) Worse case
Global deaths (millions)	1.4	14.2	71.1 ^a	142.2 ^b , 180-260 ^c
% change in GDP, first-year				
World	-0.7	-2.0	-4.8 ^a - -6.7	-10.7 ^d
High-income	-0.7	-2.0	-4.7 ^a - -8.4	-10.6 ^d
Developing	-0.6	-2.1	-5.3 ^a	-12.2 ^d
East Asia	-0.8	-3.5	-8.7 ^a	-21.7 ^d
Europe and Central Asia	-2.1	-4.8	-9.9 ^a	
Middle-East & North Africa	-0.7	-2.8	-7.0 ^a	-13.6 ^d
South Asia	-0.6	-2.1	-4.9 ^a	-9.3 ^d

Source: a. Burns et al. (2006) (World Bank) calculations based on McKibbin and Sidorenko (2006). Each of these scenarios assumes that efforts by individuals and official agencies to limit the spread of the disease are no more effective than those observed during previous epidemics and reflects differences in population density, poverty, and the quality of healthcare available.; b. McKibbin and Sidorenko (2006); c. Osterholm, 2005 estimate; d. Worse case estimates based on of a and b.

As the number of COVID-19 cases boosted, travel restrictions spread out from the Wuhan region epicenter (local lockdown beginning 23 January 2020) to most countries by the end of March. Figure 4.1 illustrates countries with borders closed to movement of non-citizens and non-residents as of 31 March 2020 and partial border closures, including restrictions of people arriving from certain other countries or where not all types of borders are closed (air, land, sea). From country population data, there is over 90% of the world's population are in countries with some level of international travel restrictions and many of these countries have some degree of restrictions on internal movement, including limited air travel and order of staying at home.

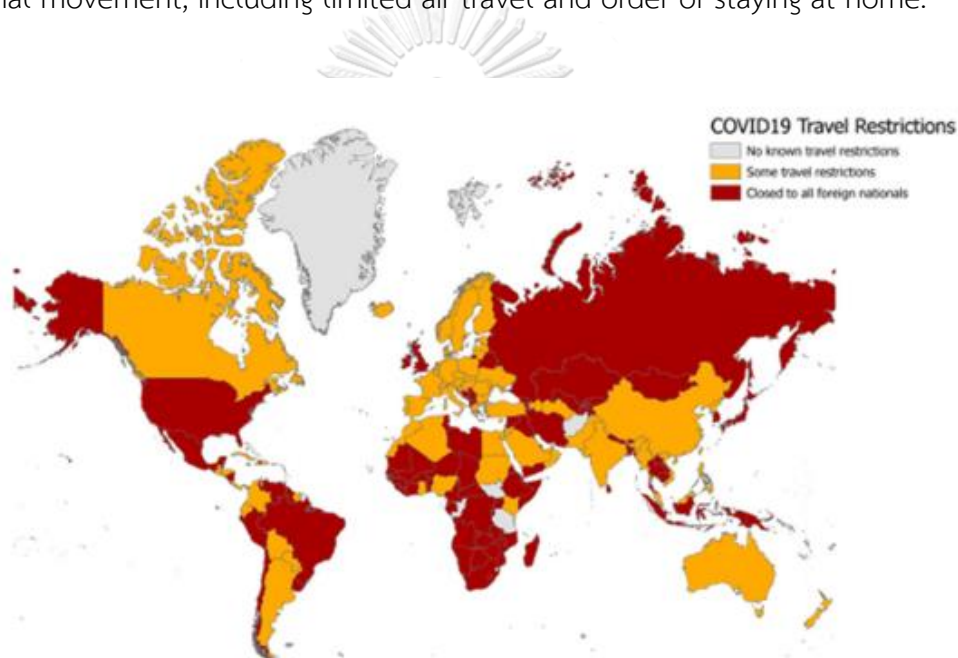


Figure 4.1: COVID-19 related global travel restrictions (as of March)

Source: IATA,2020

For the world economy, it is a slowdown period which led to the cautious in spending of the world's population. Moreover, the Thai baht became appreciate, resulting in the exchange of baht to reduce immediately by 10-20%. Hence, visiting Thailand will be more expensive in the perspective of foreigners. While the overall domestic travel of Thailand grew by 1%, with more people choosing to travel to secondary cities instead and generating an additional 3% of income from tourism promotion strategies such as 'Chim- Shop-Chai' strategy by the government. In 2020, there are 819,429 million foreign tourists classified entering Thailand. Resulting in the

number of foreign tourists entering Thailand in 1st quarter of 2020, out of 10,795,246 million people decreased to 38.01% y-o-y.

This led to the impact in Thai's tourism revenue in the 1st quarter of 2020 to decrease to approximately 515,327.58 million baht. The income from foreign tourists decreased by 40.39%, which was only for Chinese tourists, the main market of tourism in Thailand, dropped to 94.23%. The Research and Communications Department of Colliers International Thailand expected that in 2020, if the population from China is slowing out of the country by 2020, which the number of Chinese tourists visiting Thailand in 2019 was approximately 11 million people, generating a revenue of 5.5 billion baht. Even if the number of foreign tourists visiting Thailand in 2019 was lower than the forecast of the Tourism Council of Thailand, the estimation was around 40.14 million people. However, the actual number of tourists was around 39.80 million tourists in 2019. The y-o-y tourists increase by 3.97% and generated revenue from foreign tourists at 2.02 trillion baht. The National Economic and Social Development Council (NESDB) mentioned that on February 2019 Tourism accounted for 18.4 % of the GDP of Thailand. Thai economy has been lagging in economic growth the last few years; for example, Thai good exports have decreased in 2019. Even though Thailand expects more from income from its tourism sector, the Covid-19 pandemic put an end to an increase in tourist arrivals to the country.

4.1.2 COVID-19 impact on hotel business in Thailand

Even though there are various negative factors that affect the tourism business, especially the Thai Baht appreciation for about 7%, which many parties concerned especially in the tourism and export sectors, the hotel business is one of the industries which generates a large number of incomes for Thailand which accounts for over 28% of the total cost of tourists from the total income from tourism last year up to more than 2.02 trillion baht. For average occupancy rate for hotels in Thailand which classified monthly as of March 2020, it has decreased to 51.50% from 78.62%, which was a decrease of 27.11% q-o-q nationwide rate in 1st quarter of 2020. During March

2020, the average occupancy rate nationwide fell to 20.82%. The shutdown of the hotel businesses because of inability to bear the cost burden from the COVID-19 virus spreading crisis, including the announcement of an Emergency Decree (Emergency Act) since 26 March 2020 onwards.

For 2020 to 2021, there are high occupancy in hotel industry. COVID-19 is a challenge to all around the world. The crisis is unprecedented and moving fast; however, still deeply uncertain. From Long-Term perspective, in the past two decades, Thailand in-bound visitor increased from 10.13 million visitors to 39.8 million visitors in 2019. After panic of Thai population, a political uncertainty, or a natural disaster, traditionally the number of visitors decreases during just 2 or 3 months, and then picks up again from the past two decades events such as SARS in 2003, Tsunami in 2004, and Global recession and riots in Thailand in 2009, Riots and political uncertainty in 2010. Major flooding of a large part of Thailand and northern Bangkok end 2011. Political demonstrations end 2013 and ongoing into 2014. Anti-government demonstrations occupied most of the first half of 2014, and were followed by declaration of martial law, and a military (bloodless) Coup d'etat on 22 May 2014, bombing of the Erawan Shrine on 17 August 2015, and crack-down on zero-dollar (Chinese) tour groups at the end of 2016 had a significant effect on Chinese arrivals. This persisted during the first quarter of 2017, but the number of visitors kept on rising in 2016 and 2017. 2018: boat accident in July in Phuket with 47 Chinese casualties. Chinese arrivals decreased during the subsequent months. In 2019, the number of tourist arrivals amounted to almost 40 million, slightly increasing from the previous year. In that same year, foreign tourists accounted for around 33 percent of the total tourists in Thailand. Furthermore, there are fluctuations of international visitors because Thailand is one of the most visited countries in Southeast Asia. In contrast, Thailand had put restrictions on international arrivals due to the COVID-19 pandemic in the first half of 2020. For example, the number of tourism significantly decreased in March 2020 while comparing to the same month in the previous year. For the future of Thai tourism industry, with the globally wide-spread Covid-19 outbreak, the Thai tourism industry was heavily affected. Inbound international visitors are currently

prohibited from entering the country due to the imposing of restrictions as of the second quarter of 2020. The number of international tourists was forecasted to pick up in the fourth quarter of the same year. In terms of local businesses in the tourism industry, most of the hotel businesses kept their employees amidst the pandemic, with only three percent of employees being downsizing among the surveyed hotel operators in Thailand in the second quarter of 2020.

Due to the COVID-19 pandemic, this number significantly decreased in March 2020 while comparing to the same month in the previous year. For the future of Thai tourism industry, with the globally wide-spread Covid-19 outbreak, the Thai tourism industry was heavily affected. Inbound international visitors are currently prohibited from entering the country due to the imposing of restrictions as of the second quarter of 2020. The number of international tourists was forecasted to pick up in the fourth quarter of the same year. In terms of local businesses in the tourism industry, most of the hotel business kept their employees against the pandemic, with only three percent of employees being downsizing among the surveyed hotel operators in Thailand in the second quarter of 2020.

In 2020, the total value of Thailand's GDP accounted to approximately four trillion Thai baht. This led to a shift in hotel industry. For example, hotel runs a promotion for lockdown easing luxury hotels reduce price for Thai population. There are new supplies target run campaign for price promotion of 60-70% with new selling point work from hotel in 3 main travel destination including Chiang Mai, Pattaya, and Huahin Thai Hotel Association mentioned that pricing strategy is the most effective surviving strategy until the middle of 2021. Prachachat News mentioned that five-star hotel segmentation was added promotion in order to attract more guests since the end of 2020. This is because there were many new supplies in this segment which is more than 1000 rooms in Bangkok. Thus, from the price ceiling of 10000 baht per night, the price plummeted to only 1000-3000 baht. Obviously, other tourist destinations in Thailand were faced harder time than in Bangkok unable to generate high income

during high season. In addition, many hotels tried to attract more Thai guests by creating new campaign.

To sum up, it is undeniable to mention that COVID-19 panic and the global recession had a more pronounced impact than other incidences. Thailand is one of the most visited countries in Southeast Asia. However, the country had since put restrictions on international arrivals due to the COVID-19 pandemic in the first half of 2020 which led fluctuations of international visitors. For example, Chinese visitors were the major contributor to the Thai tourism industry, and the number of Chinese visitors were forecasted to reach 12 million in 2019. Due to the COVID-19 pandemic, this number significantly decreased in March 2020, when compared to the same month in the previous year. For the future of Thai tourism industry, the globally widespread Covid-19 pandemic affect the Thai tourism industry was heavily. Inbound international visitors are currently prohibited from entering the country due to the imposed restrictions as of the second quarter of 2020. Nevertheless, the number of international tourists was forecasted to pick up in the fourth quarter of the same year. In terms of local businesses in the tourism industry, most of the hotel businesses kept their employees amidst the pandemic, with only three percent of employees being downsizing among the surveyed hotel operators in Thailand in the second quarter of 2020.

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4.1.3 Impact on hotel business Chiang Mai as a one of tourism destinations

Chiang Mai is one of the important tourist destinations of Thailand. In 2008, Chiang Mai ranked 78th place with 1.6 million tourists (T., Chatrudee,2017). Most of Chiang Mai hotels have also joined TTogether campaign and reduce the price. For example, in Chiang Mai, S17 NIMMAN hotel which is 3-Star hotel had welcoming back to Chiang Mai promotion with TTogether from 27 Jan- 30 April 2021 having 60% off. Marisa Sukosol Nhunphakdee, the president of Thai Hotel Association (THA) mentioned that reducing price phenomena of luxury hotel is the last exit of generating income even thought this is not make any profit for hotels; however, it will help to generate

cash flow to pay the employees. To sum up, reducing price is not sustainable strategy and when the room rate has been reduced; however, it is hard to price up because there is no international demand. During 1st quarter of 2020, there is two important announcement which are the first emergency decree announcement and curfew announcement. This led to gradual closure of hotel in Chiang Mai in order to cope with COVID-19 pandemic first wave. On the 2nd quarter of 2020, there are four phases of easing lockdown policy including 3rd of May, 17th of May, 1st of June and 15th of June. As can be seen in figure 4.1, after all easing announcement all hotels in 3 locations gradually open because the COVID-19 situation was quite stable on the 4th quarter of year 2020. This is when there are not more than 50 cases founded in Thailand.

4.2 Hotels characteristics in three main areas of Chiang Mai

Hotels classified by location can also be a criterion for categorizing properties. Types of hotels under this categorization include targeting and positioning of 3 main locations of Chiang Mai. Most of hotels in Nimman and Old town are 3-star hotels which usually legally registered as hotel type 2. On the other hand, hotels in Night Bazaar are 4-star hotel. Furthermore, there is no hotel type 3 in Night Bazaar. Price

range for hotel type 1 is not more than 2500 baht in Year 2020. For hotel type 2, the 2 guests. For hotel type 4, hotel in Night Bazaar is the most expensive which is 10000 baht per room/night for 2 guests which is chain hotel.



- 25th March 2020: Emergency decree notice
- 3rd April 2020: Curfew Announcement
- 28th April 2020: First emergency decree extension announcement
- 3rd May 2020 Easing of coronavirus lockdown – first phase
- 17th May 2020: Easing of coronavirus lockdown – second phase
- 26th May 2020: Second emergency decree extension announcement
- 1st June 2020: Easing of coronavirus lockdown – third phase
- 15th June 2020: Easing of coronavirus lockdown – fourth phase

Figure 4.2.: Hotels open and closure 154 Hotels from data collection between 1st of March – 31st December 2020 with the 1st wave timeline of COVID-19 pandemic in Thailand (Note: data collecting week-by-week on OTA during 1st of March – 31st December 2020 by researcher)

most expensive one is in Nimmanahardinnua which is 3700 per room/night for

Table 4.2: STP's of 3 locations; Nimman, Old Town, and Night Bazaar (Source: Researcher)

	Target group	Positioning	Hotel Type	Price range (2020)
NIMMAN	Thai, Chinese, family with young children, solo, family, couple	People who enjoyed shopping, café hopping, and night out	Type 1: 3 Type 2: 24 Type 3: 1 Type 4: 6	Type 1: 400-1700 Type 2: 500-3700 Type 3: 1000 Type 4: 820-4600
OLD TOWN	Foreigners (USA/European /Chinese) Thai, Family, couple	People who enjoyed historical site seeing, café hopping, and liked weekends night market	Type 1: 21 Type 2: 68 Type 3: 2 Type 4: 4	Type 1: 300-2400 Type 2: 220-3000 Type 3: 1300-1800 Type 4: 400-800
NIGHT BAZAAR	Foreigners (European/ Chinese)	People who enjoyed crafts available through weekdays-weekends night market	Type 1: 2 Type 2: 13 Type 3: 0 Type 4: 8	Type 1: 600-1000 Type 2: 400-3400 Type 3: - Type 4: 1000-10000

There are differences between 3 main areas of Chiang Mai as a travel destination for both national and international demand including Nimmanahaeminda Road, Old Town and Night Bazaar. For each location, their target group and characteristics will lead to segmentation which hotel entrepreneur precisely designed for staying demand (Figure 4.2). From the field survey by researcher, the characteristic of each location can be described as:

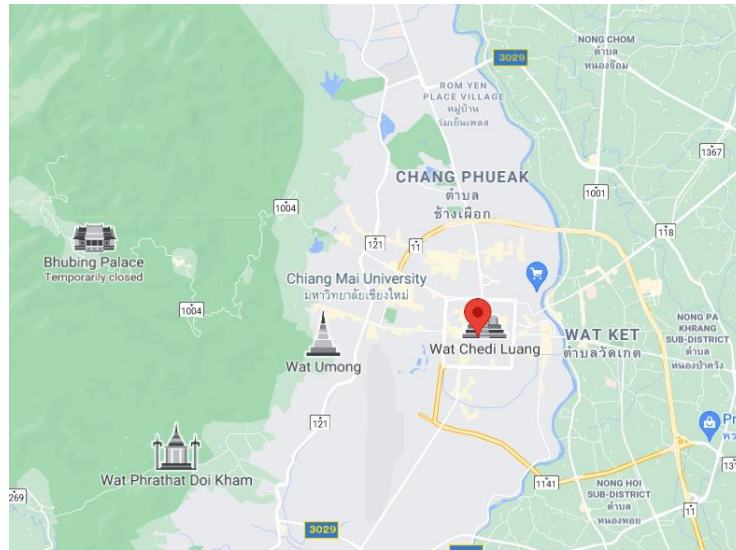


Figure4.3 Chiang Mai's location (Source: Google Maps,2021 captured by Researcher)

Firstly, Old town is the place that have a lot of historic tourist attractions. There are a lot of narrow alleys, boutiques, galleries and great dining choices; it is often described as the 'the center of arty Chiang Mai'. For example, it is highly well-known for historic wall named Thapae gate. This area is also well-known for night market that is often packed full of students and teenagers shopping for the latest fashions at reduced prices. This road also has a high concentration of cafés, restaurants and cool bars. Foreigners who love historic scene are enjoy living in this area because there is scenic view for historical walls of the ancient of Chiang Mai and it is easy to walk through this area especially European tourists.

Secondly, Nimmanahaeminda Road is well-known for a special interest in picking up unique handicrafts, antiques, clothes or accessories. Everything about this area is made of quality. All these elements are featured on lively Nimmanahaeminda Road. It is also known as Cafe Street. It is the trendiest part of Chiang Mai. Both Thai and foreigners enjoyed walking in this area because there are a lot of café and artisan sweet bakery shop especially Chinese and Asian tourists.



Figure 4.4: Hotel type 2 in Nimmanahaeminda Road (Note: This picture has been taken by researcher on 18th July 2020)

Thirdly, the main venue for shopping in Chiang Mai, the night bazaar is a can't-miss part of the Chiang Mai. The opening hour is from around 6 p.m. and shopping goes on until about 22:30 with a few vendors remaining open even later. There are a lot of foreigners in Night Bazaar. It is undeniable that customers base of this location is 100 percent on foreigners.



Figure 4.5: Hotel Type 3 in Night Bazaar (Note: This picture has been taken by researcher on 18th July 2020)

Last but not least, three locations have their own unique characteristics. Old town area is well-known as history place, Nimmanahaeminda Road is famous for café street and night lifestyle, and Night Bazaar is well-known for street food and souvenir shop.

4.3 Adaptation strategies of hotel types in three locations

Adaptation strategies of 154 hotels can be illustrated by two methods including analyzing hotel opening and closure patterns and see the price changes during 1st of March 2020 to 31st December 2020.

4.3.1 Hotel Opening and closure patterns of 154 hotels in Chiang Mai between 1st of March 2020 – 31st December 2020

4.3.1.1 Nimmanahaeminda Road

In figure 4.6, there are 3 hotels in type1 in Nimmanahaeminda area one hotel started to close on April, but on the beginning of June, it re-opened. Thus, this type of hotel in Nimman has least effect of COVID-19 situation on opening and closure.

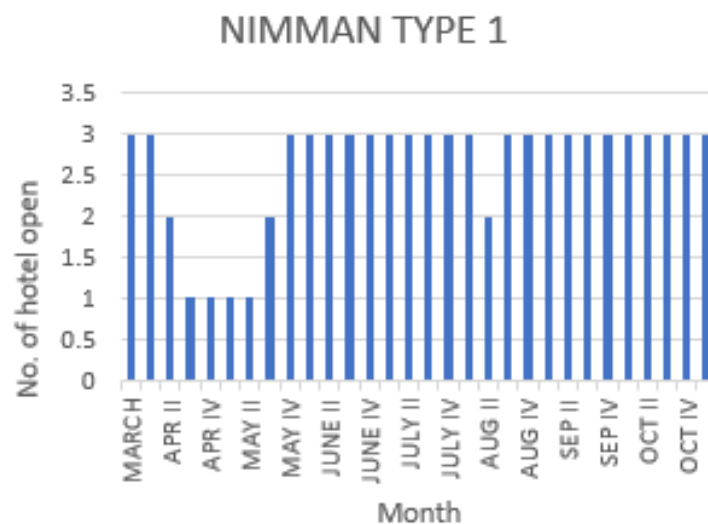


Figure 4.6: Hotels in Nimman area opening-closure during 1st of march-31 December 2020

In figure 4.7, it illustrates the vacancy of lease hold area and billboard advertisement in Nimman. This is because most people who visit the shops back then

are travelers both Thai and foreigners. On the other hand, there was a small number of travelers in 2020. Thus, people who rent the shops in this area unable to bare the

rent cost for the unpredictable future. Furthermore, lease hold area for commercial is more than 50% close down after all lock down and curfew period in 2020. This reflects that there is no based customers or foreigners visit their shops as usual. Thus, lease hold enterprises are not able to bare the expensive rent cost at this period of time.



Figure 4.7: Hotel surroundings lease hold area

(Note: This picture has been taken by researcher on 17th July 2020)

Hotel type 2 ranked first among other hotel types which accounted for 24 hotels. It takes approximately 3 months for this hotel type to recover in Nimman as well as hotel type 4. Some hotels were closed down for renovation because of low occupancy as can be seen in figure 4.5 during lockdown and curfew times, and some hotels were tried to do promotion in food and some leasing vacant area to generate more income channel. This reflects adapting strategies of different people, and some strategies might not work out in the hard times.

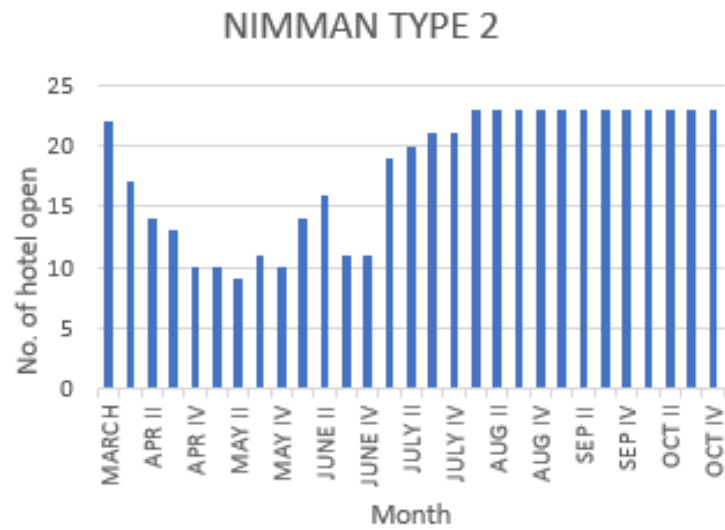


Figure 4.8: Hotel type 2 in Nimman opening-closure during 1st of March-31 December

Source: Researcher

Some hotel type 2 (figure 4.9) closed for renovation during to lock down during 2020 and restriction of traveling to other provinces. For example, hotel ALEXA which located in Nimman Road closed between 9th of March to 31st of May 2020. This period is the 1st wave of COVID-19 situation in Thailand. As can be seen, hotel normal operating hours is 24 hours a day. Thus, it is a good timing for renovation.



Figure 4.9: Some hotels in Nimman road has been closed down by the effect of lockdown

Hotels in Nimmanahaeminda area reflected the most impact among other hotel types at the same location. Most of them have been closed down between April to the end of July 2020.



Figure 4.10: Adaptation of hotels located in Nimman area

Source: Researcher

For hotel type 4 in Nimmanahaeminda Road, most of them has closed around 3 months. After that, they gradually open until 100% open on August 2020.

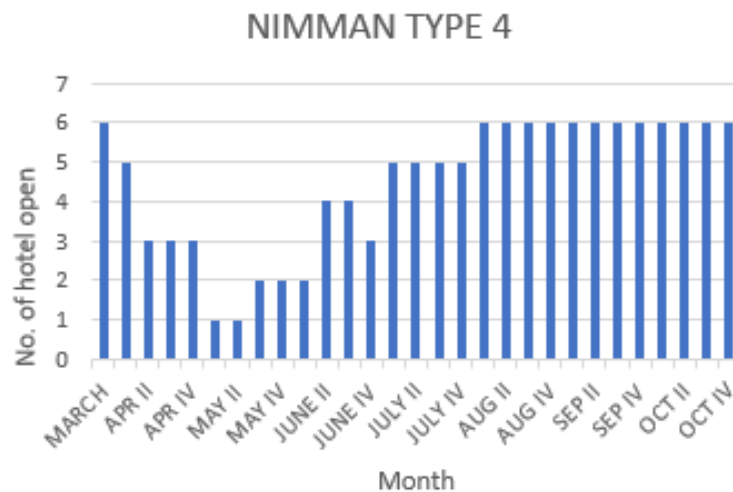


Figure 4.11: Hotels type 4 located in Nimmanahaeminda Road opening-closure during 1st of March-31 October 2020 (Source: Researcher)

4.3.1.2 Old Town

In Old Town area, during COVID-19 situation, both hotel type 1 and type 2 took around 4 months to recover. For hotel type 1 in Old Town area, most of the hotel in this type are based on foreign backpackers or solo traveler.

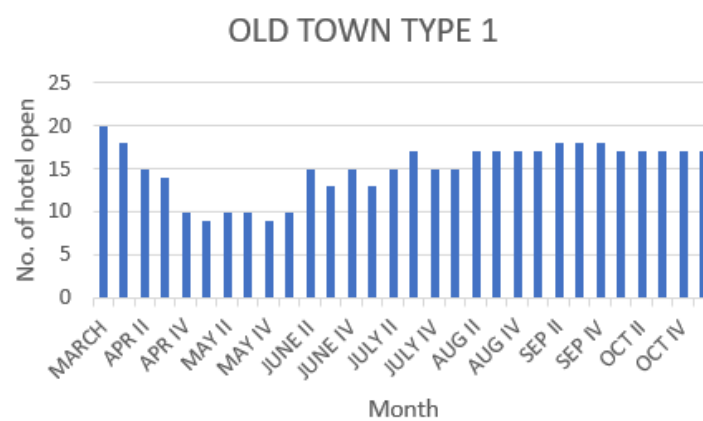


Figure 4.12: Hotels in Old Town area opening-closure during 1st of march-31 December 2020
(Source: Researcher)

Hotel type 2 in Old Town area mostly based more on foreigner as can be seen by pricing. There is only one chain hotel in this category which is U hotel, chain hotel which focused on South East Asia vacation area. This has been closed down approximately 5 months which is higher than that of Nimman area. Some hotels are temporarily closed during lockdown period in order to save operation cost such as employee payment, and utility fee.



Figure 4.13: Hotel in Old Town area opening-closure during 1st of march-31 December 2020
 (Note: This picture has been taken by researcher on 1st April 2020)

Type 2 hotels in Old Town have been closed approximately 50-60% between April to June 2020. After that, there was a smooth recovery between July to September 2020.

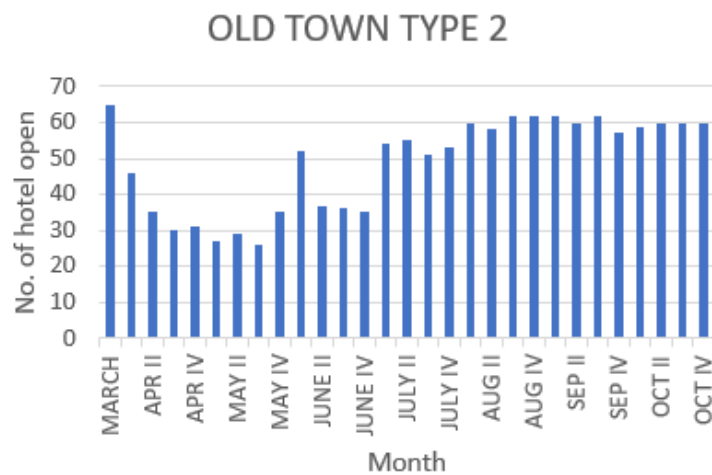


Figure 4.14: Hotels in Old Town area opening-closure during 1st of march-31 December 2020
 Source: Resource

As can be seen, from a field survey, the surrounding of Old Town area was quiet because there were only local people around during 2020.



Figure 4.15: Old town area's surrounding (Note: This picture has been taken by researcher on 17th July 2020)

Hotel type 4 in Old Town accounted for 3 hotels. It is closed for approximately 1 month between April.

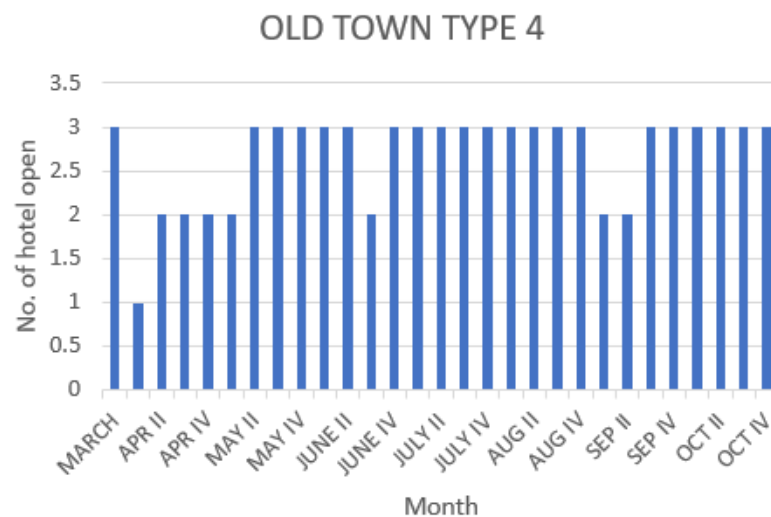


Figure 4.16: Type 4 hotels in Old Town area opening-closure during 1st of march-31 December 2020 (Source: Researcher)

There are 2 hotels in Night Bazaar which is hotel type 1. 100 percentage of this kind of hotels has closed between the 3rd week to the end of May 2020. In contrast, one hotel started to open until the end of 2020. After the 4th week of September 2020, both of the hotels remain open. Night Bazaar spent the longest time among 3 locations to be return to operation. There was 100 percent closed for hotels type 1 which was 2 hotels in total. Furthermore, the amount of hotel close accounted for 2 hotel type 1.

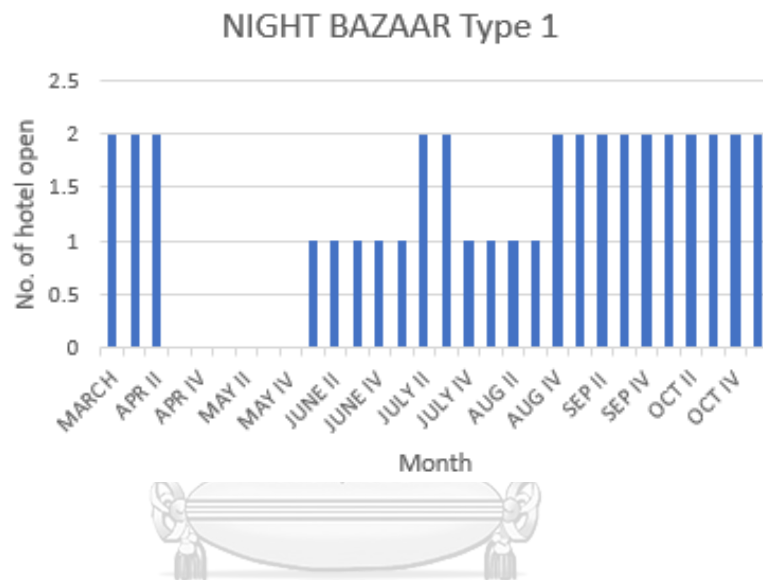


Figure 4.17: Type 1 hotels in Night Bazaar area opening-closure during 1st of march-31 December 2020 (Source: Researcher)

For hotel type 2, hotel closure accounted for 13 hotels between April to September 2020 in Night Bazaar.

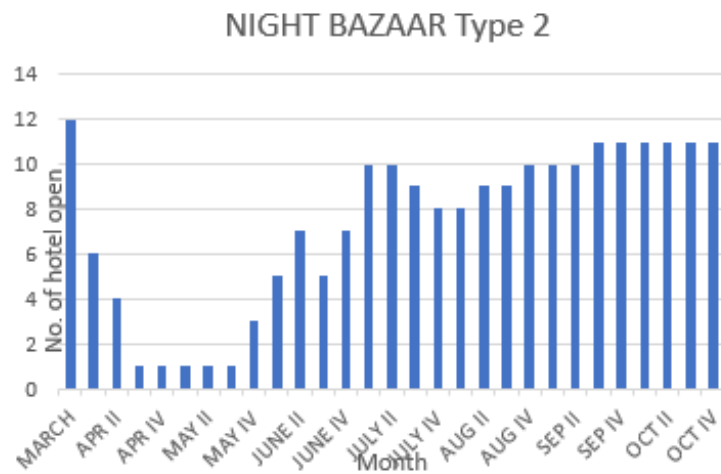


Figure 4.18: Type 2 hotels in Night Bazaar area opening-closure during 1st of march-31 December 2020 (Source: Researcher)

For hotel type 4 in Night Bazaar, there are 8 hotels in total but they were 100% closed between the 4th week of April to the 2nd week of June 2020. In addition, they were 2 hotels which still close until the end of 2020.

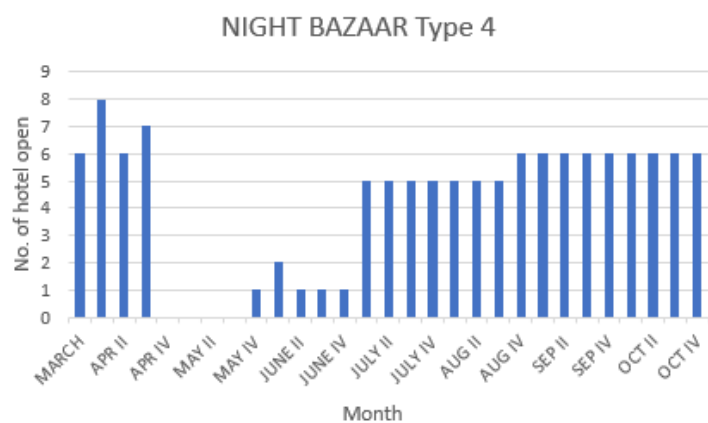


Figure 4.19: Type 4 hotels in Night Bazaar area opening-closure during 1st of march-31 October 2020 (Source: Researcher)

As can be seen in figure 4.18, the surrounding of Night Bazaar area is quite throughout year 2020 because this area is base heavily on Night Bazaar.



Figure 4.20: Night Bazaar’s surrounding (Note: This picture has been taken by researcher on 18th July 2020)

4.3.1.4 Comparison of three locations: Nimmanahaeminda Road, Old Town and Night Bazaar

Hotel type 1 was well-known for hostel with the hotels which has bunk beds more than 4 beds in one room. Thus, this would be one factor which led to the closure during pandemic time. During April to the end of May, there are 50%-60% of Chiang Mai hotels in 3 locations have been closed because of low occupancy rate.

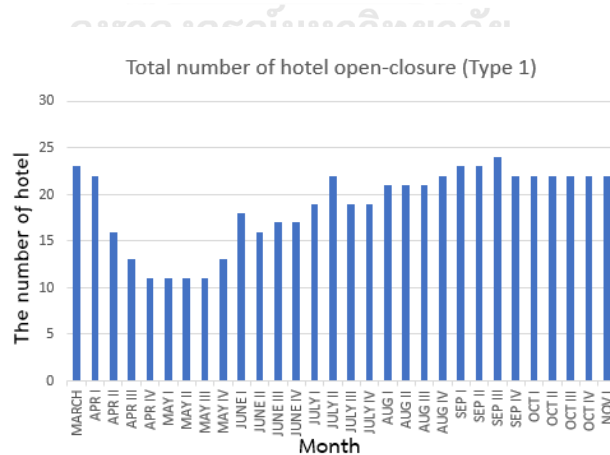


Figure 4.21: Total number of hotel type 1 open-closure during 1st of march-1st of November 2020 (Source: Researcher)

From data collecting by the researcher, it was found that hotel type 2, it is the most popular among hotel type in Chiang Mai. As can be seen, in Night Bazaar area, hotels have decreased more than other locations because this area completely based on foreigners. There are 105 Type 2 hotels which located in 3 main scope areas. There are 24 hotels located in Nimman road. One out of three remain open between February and December. In Old Town area, there are 68 hotels but there are only 14 hotels which remained open all the time. Lastly, Night Bazaar has only one hotel which remain open. Thus, Nimmanahaeminda Road has the most hotel which remain operated. Furthermore, these hotels have more than 70 rooms.

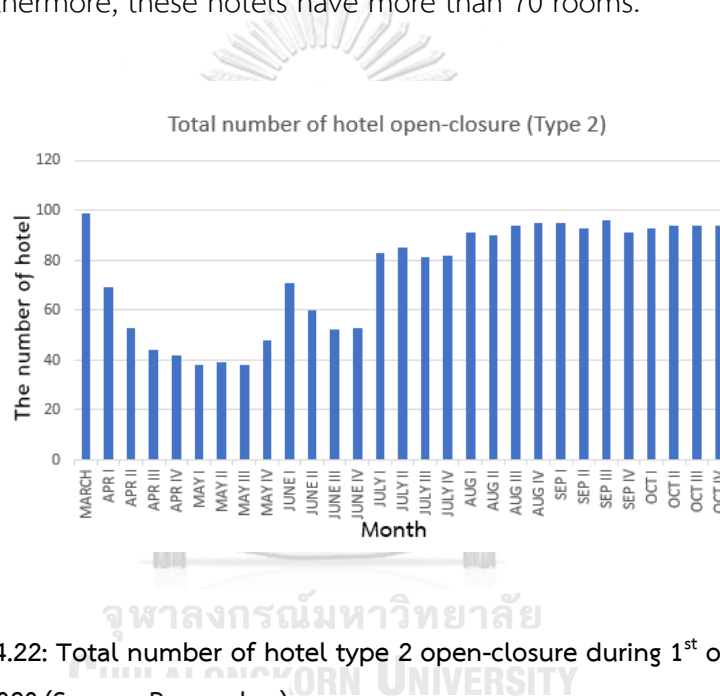


Figure 4.22: Total number of hotel type 2 open-closure during 1st of march – 31st of December 2020 (Source: Researcher)

It was found that type 1 hotel in 3 different locations. Old town is the only area which has some hotels remained open. This is because type 1 hotel is the hotel that fit with guests who has no vehicle and it is accessible by feet. Type 2 has the most amount in hotel total. For type 2 hotel, it is for guests who came by car and need parking lot as a facility. Unsurprisingly, only Nimmanahaeminda area which available during February-December. There are only 3 hotels which is Type 3. For Type 4 hotel, it has most effect because dining room, ball room and ball room. Lastly, there is only one out of 4 hotels open located in Old town.

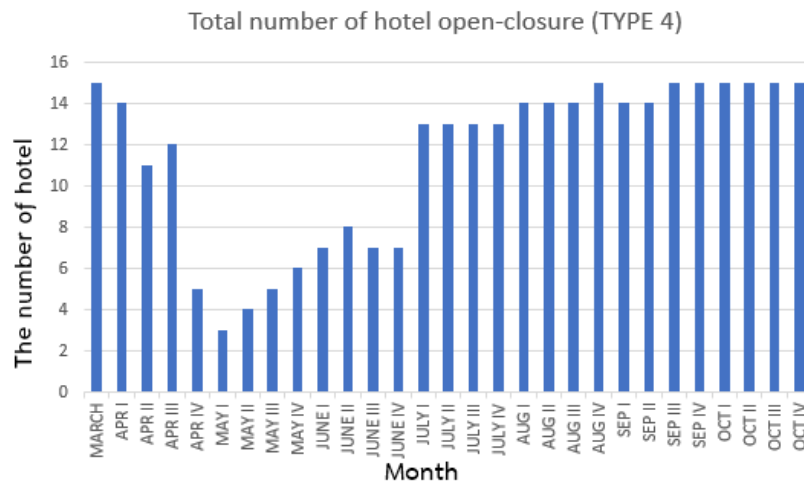


Figure 4.23: Total number of hotel type 4 open-closure during 1st of march – 31st of December 2020 (Source: Researcher)

For comparison, this paper used the number of days closed and pricing changes as adapting indicators because overall property's efficiency comes from the total of the various departmental incomes deducted by undistributed operating expenses. Moreover, the best measurement of success is based on capital cost as well. Capital costs include expense such as the management fee, property taxes, and other municipal and insurance charges. A direct function of the cost of the building and its furnishing (Clayton W. Barrons, Tom Powers, Dennis R. Reynolds, 2011). Four hotel type which has been generated by DPA has different managing or coping mechanism. For example, hotel type 1 is hotel with no dining room and usually operated as a hostel which has a lot of bed in one room. Hotel Type 3 and type 4 are quite similar because both required to have separated bathroom in their own room and there is seminar room in the hotel. Obviously, hotel type 1 is not required to have Food and Beverage department; on the other hand, hotel type 3 and 4 are bored more of other fixed costs. This means that each type of hotel has an impact on adaptation mechanism and strategy during the crisis time.

Average days are calculated by hotels that have been closed between 1st of March to 31st December 2020 which is 275 days divided by total number of days that hotel has been closed down.

This formula illustrates the percentage of average days closed during 1st of March to 31st December 2020, the 1st and 2nd wave of COVID-19 pandemic in Thailand.

Comparing by type, it is undeniable that hotel type 4 is the longest closed

$$\frac{\text{Days closed which collected week-by-week}}{275} \times 100 = \text{Percentage of average days closed}$$

(between observation period)

down comparing with different type in different location because this type of hotels tends to bare more costs than other hotel type, especially Night Bazaar because there is chain hotel type 4 which accounted for 8 hotels in Night Bazaar Following by hotel type 1, this type of hotel has closed more than hotel type 2 in Night Bazaar followed by Old town area. In all location, hotel type 2 beats other hotel types in term of closing down period. Comparing by location, Nimman Road area has the least temporary period of close down time in all hotel type.

Table 4.3: percentage of hotel closed and average of days closed of 4 hotels type in 3 areas (Source: Researcher)

Hotel TYPE		Nim man	Old Town	Night Bazaar
TYPE 1	Total number of hotels: 26 hotels	3	21	2
	Percentage of Hotels in total which have been closed during March-Dec 2020 (quantitative)	100%	61.9%	100%
	Average days closed during observation period (duration)	35 days	50 days	90 days
Type 2	Total number of hotels: 105 hotels	24	68	13
	Percentage of Hotels which have been closed during March-Dec 2020 (quantitative)	75 days	78 days	92 days
	Average days closed during observation period (duration)	41 days	49 days	86 days
Type 3	Total number of hotels: 3 hotels	1	2	0
	Percentage of Hotels which have been closed during March-Dec 2020 (quantitative)	100%	100%	none
	Average days closed during observation period (duration)	35 days	50 days	none
Type 4	Total number of hotels: 18 hotels	6	4	8
	Percentage of Hotels which have been closed during March-Dec 2020 (quantitative)	83%	100%	100%
	Average days closed during observation period (duration)	51 days	63 days	95 days

Finally, there are three main points which can be seen from figure 4.23 to figure 4.32 including the outcomes of lockdown decree and extension decree, total average price change pattern, the highest average price. The first emergency decree notice is on 25th March 2020. Plus, on 3rd April 2020, there was Curfew Announcement, this led the average of total price change in each area steadily shrink. It is undeniable that bad news is negative factor which effect on hotel occupancy rate. As can be seen in total average price change pattern, it is gradually drop from the first announcement of

emergency decree until the easing of coronavirus lockdown during May 2020. Even though COVID-19 situation is not worsening, there are no international traveling demand. Plus, Thai population used stay-home orders and restrict of mobility. At this time, there is also less public transportation available. On the other hand, the price tends to have positive trend toward 2021, especially hotels type 2 in Nimman road and hotels type 4 located in Old Town because there are no more lockdown and emergency decree announcement after 15th June 2020.

4.4 Price changes

Hotel room rates are price rates that usually fluctuated daily, weekly, and monthly rates quoted. For the hotel industry, it is hard to raise room rates in economically challenging times. The best way to increase profit is to cut costs; however, it must be done without harming the guest experience. Working with partners such as electric and water utilities is crucial for hotels.

Hotels classified by Department of Provincial Administration reflected the difference of each type different challenge and their adapting strategies.

4.4.1 Nimmanahaeminda Road มหาวิทยาลัย

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This research has been collected data between 1st of March and 31st of December 2020 about price changing. Almost every hotel 'prices are varied every day. There are 3 hotels of hotel type 1 in Nimmanahaeminda Road. As can be seen in figure 4.22, hotel prices are plummeted during the 26th May 2020, the second emergency decree extension announcement. On the other hand, the prices are differed for each hotel strategy.

On the total price change effect on hotel type 1 located in Nimman Road, the lowest price is from the shock of 1st COVID-19 pandemic wave during holiday, April. However, after the 2nd week of May 2020 the price gradually increased until the 1st week of June 2020. Then, after the fourth easing of coronavirus decree, the price gradually increase until it is higher than the total price of the 1st quarter of 2020.

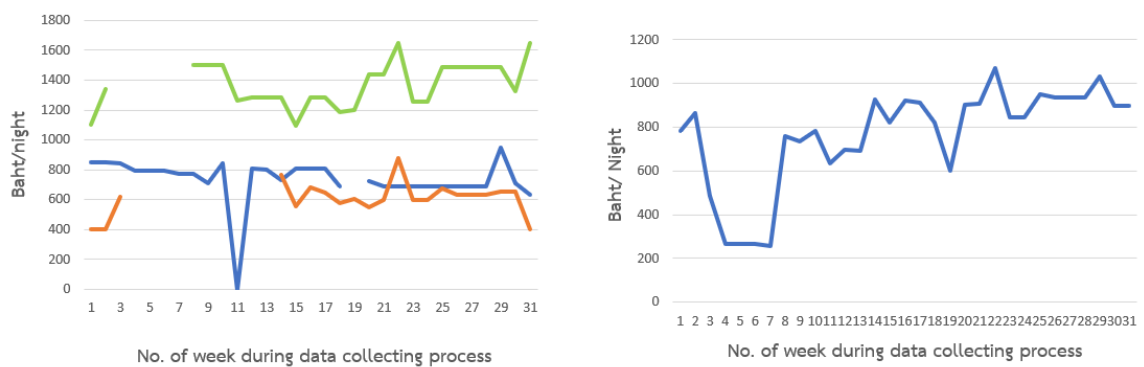


Figure 4.24: 3 hotels in Nimmanahaeminda Road (Hotel type 1)

Source: Researcher

As can be seen in figure 4.25, most of hotels in hotel type 2 in Nimmanahaeminda Road recovered by price after June that is the fourth wave of easing of coronavirus lockdown. Obviously, there is one hotel which is U hotel Nimman, the price plummeted between March to April; however, this hotel closed down from April to June. Then, the price decreased to lower than 2800 Baht per night until the end of 2020.

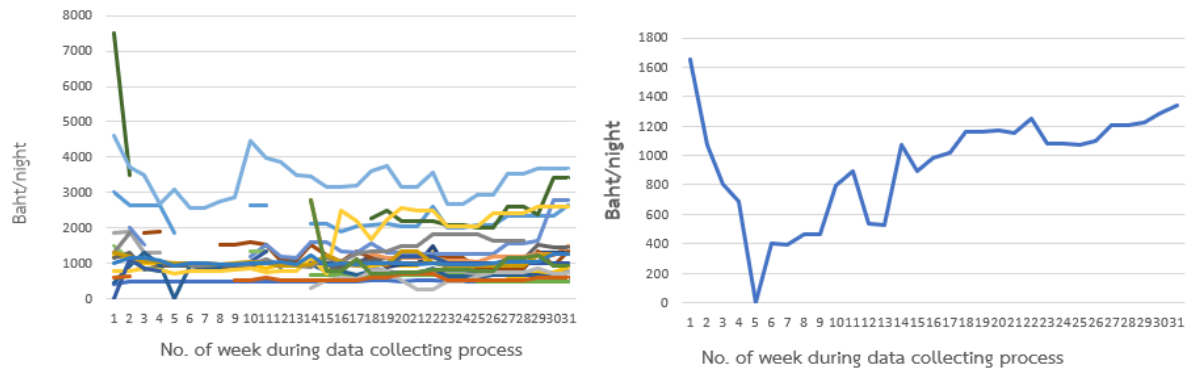


Figure 4.25: 24 hotels in Nimman road (Hotel type 2) Source: Researcher

Hotel type 4 prices are fluctuated during June and July. This is because of hotel fourth wave of easing lockdown decree. However, there is less tourism in Chiang Mai, hotel prices slowly shift downward or lessen until December 2020.

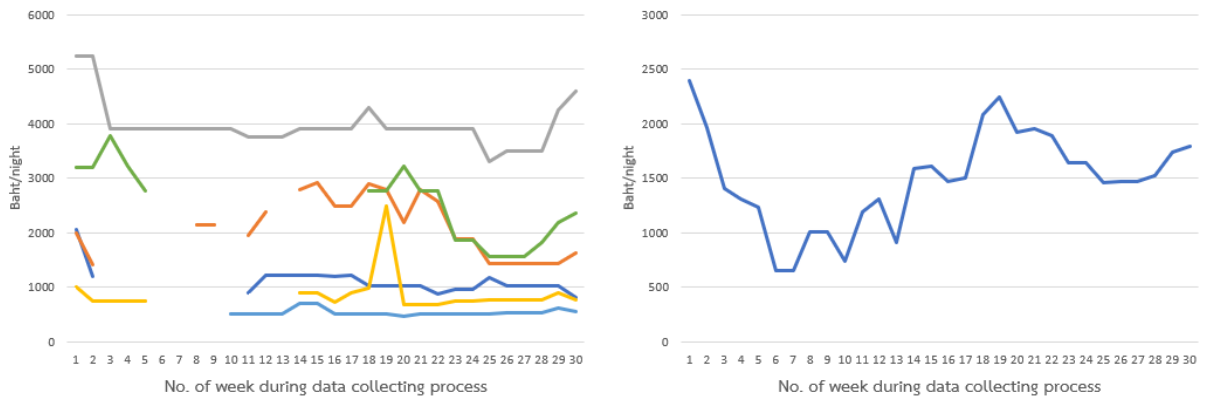


Figure 4.26: 6 hotels in Nimman road (Hotel type 4) Source: Researcher

4.4.2 Old Town

For hotel type 1 located in Old Town, the price reached its lowest on May 2020; however, the price fluctuated until the beginning of July 2020. After that, the total price gradually increased. Lastly, the price remains steady at the end of year 2020.

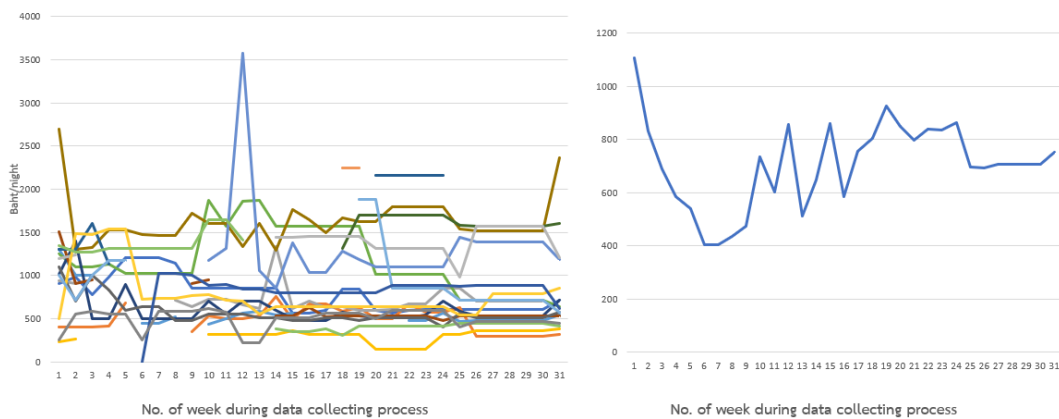


Figure 4.27: 21 hotels in Old Town (Hotel type 1) Source: Researcher

There are 68 hotels segmented as hotel type 2 which located in Old Town. The total price change is fluctuated between 1st of March to the beginning of July 2020. However, the total average price gradually increases and lowered at the end of December 2020.

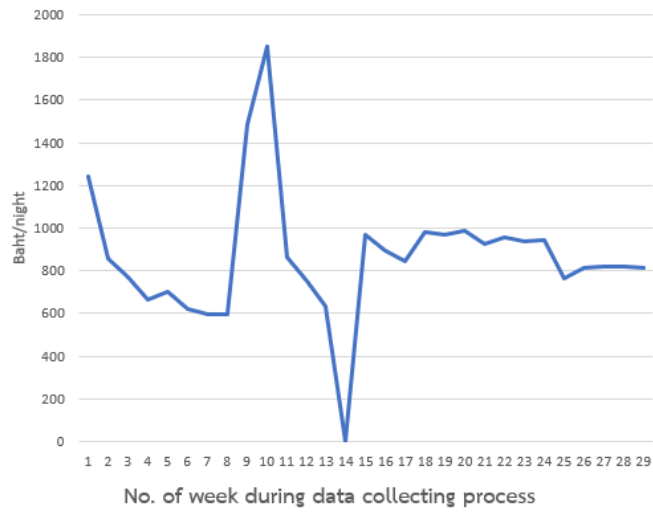


Figure 4.28: 68 hotels in Old Town (Hotel type 2) Source: Researcher

There are 4 hotels located in hotel type 4 in Old Town area. There is only one hotel which remain open and the room night remain steady throughout 2020. In contrast, other hotels are not operating throughout year 2020. The average price peaked during June and plummeted on September. Then it gradually increases until the end of the year.

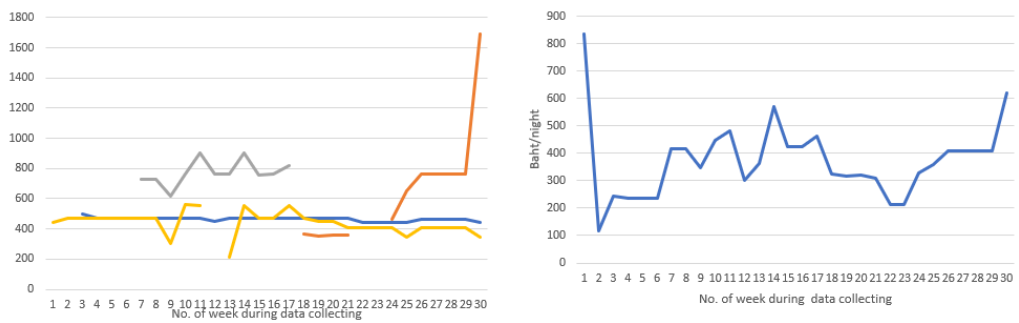


Figure 4.29: 4 hotels in Old Town (Hotel type 4) Source: Researcher

4.4.3 Night Bazaar

There are two hotels of hotel type 1 in Night Bazaar. Even though in figure 4.26 show the peak at week 16 that the price is reach its heights; however, hotels have been closed down most of the time which is approximately 6-18 weeks out of 31 weeks of data collecting.

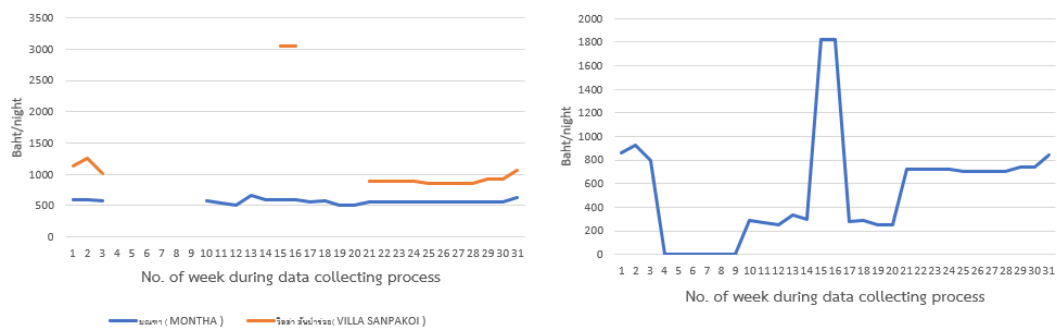


Figure 4.30: 2 hotels in Night Bazaar (Hotel type 1) Source: Researcher

There are 12 hotels in Night Bazaar that segmented as hotel type 2. Obviously, there is one hotel that the price is as high as 13500 per night on March 2020 which is Na Nirand Resort and reached its peak on the 1st week of July 2021. On the other hand, other 11 hotels have closed down between the 2nd week of April to the 2nd week of June 2020. This area is mainly based on foreigners. Hence, this means there is no international traveling demand and the restriction of mobility between this period of time.

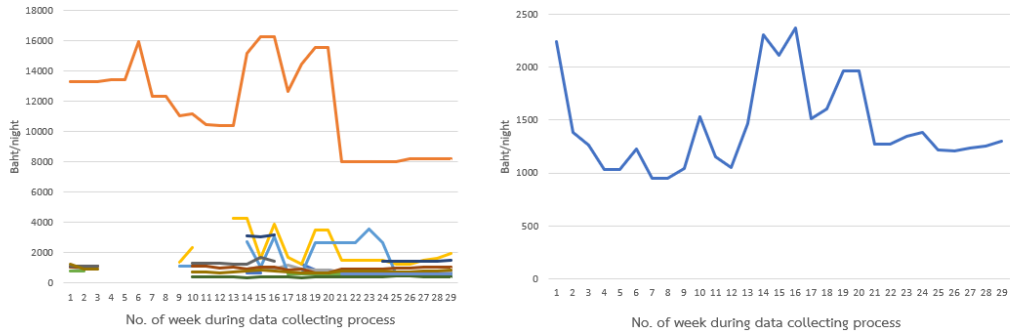


Figure 4.31: 12 hotels in Night Bazaar (Hotel type 2) Source: Researcher



For hotel Type 4 in Night Bazaar, the average price increase on the 1st week of July after two months shock of COVID-19 situation when all 6 hotels closed down.

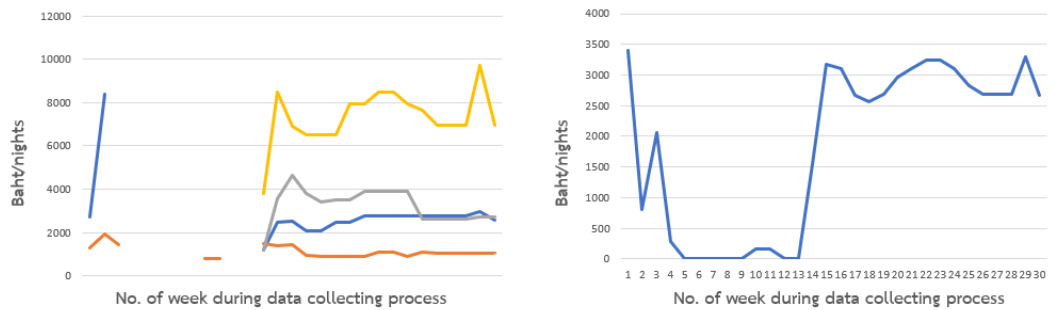


Figure 4.32: 6 hotels in Night Bazaar (Hotel type 4) Source: Researcher

4.4.4 Comparison of three areas' average price changes

There are three main points of average price changes that can be implemented including hotel type 1 average price change patterns, hotel type 2 average price change patterns, and hotel type 4 average price change patterns.

There are three main points of Hotel Type 1 in three locations of Chiang Mai: Nimman, Old Town, and Night Bazaar. Firstly, hotels located in Nimmanahaeminda area fully back to operate on May, positive trend after July. Second, for hotels type 1 located in Old Town, the average price fluctuated between April to September. After that, it slightly drops. Third, hotels type 1 located in Night Bazaar; the average price remains steady after September.

Hotels segmented in type 2 in Nimman and Old town both have a positive average price trend after July. On the other hand, the average price of hotels in Night bazaar fluctuated between March to September. After that, the average price remains steady.

Even though three areas have some similar characteristics of hotels in type 4, the effect of price changes in each location is different. Nimman's average price reached the highest on July slowly decreased. Hotel type 4 in Old town is the only location which has positive trend with one plummeted point on September. In Night Bazaar, hotels closed down until the 1st week of July, the average price remain steady.

Table 4.4: Comparison of three locations price change and hotel close down
(Source: Researcher)

	Nimman	Old Town	Night Bazaar
Type 1			
Percentage of hotels closed / average days close	100% / 35 days	61.9% / 50 days	100% / 90days
Average price Trend	Hotels fully back to operate on May, positive trend after July.	Average price fluctuated between April to September. After that, it slightly drops.	Average price remains steady after September.
Type 2			
Percentage of hotels closed / average days close	75% / 41 days	78 % / 49 days	92% / 86 days
Average price Trend	After July, positive price trend	After July, positive price trend	Fluctuated between March to September. After that, the average price remains steady
Type 4			
Percentage of hotels closed / average days close	83% / 51 days	100% / 63 days	100% / 95 days
Price Trend	Average price reached the highest on July slowly decreased	Positive trend with one plummeted point on September	Hotels closed down until the 1 st week of July, the average price remain steady.

Concluding remarks

This research used secondary data collecting week-by-week in order to see the pattern of pricing and closure of operation to survive in long-run in traveling-base city, Chiang Mai.

Even though most of hotels are type 2 in 3 locations, they are the least in closing down during COVID-19 period which this research will interview entrepreneurs who operate hotel type two in Nimman Road and Old town area in order to learn their adaptation strategies.

The overview of adapting strategy mechanism is presented on chapter 5, while case implementation is presented in chapter 5. Furthermore, factors influencing setting up process and its implementation will be in chapter 6.



Chapter 5

Adapting Strategy of Hotel Entrepreneurs in Chiang Mai

This chapter is aimed to explore 4 hotel entrepreneurs' adapting strategies in Chiang Mai including Victoria Nimman Hotel, Hotel MAYU Chiang Mai, MD House and Hotel Rosy.

These four case studies illustrate the different of marketing, pricing and management. Victoria Nimman Hotel focused mainly on Thai customers. It is located in the middle of Nimmanahaeminda Road. Hence, it is easy to walk across the city and explore Chiang Mai eatery and art culture. Hotel MAYU Chiang Mai is located in the edge of Nimmanahaeminda Road nearby One Nimman lifestyle shopping mall. Hotel MAYU's target customers are mixed between 50 percent of Thai and 50 percent of foreigners. MD House Chiang Mai located in old town and its customer focus is on Western tourists. Hotel Rosy is located in the middle of old town area. It is focused on half Thai and half foreigner

5.1 Case study#1: Victoria Nimman Hotel



Figure 5.1: Victoria Nimman Hotel (Source: Victoria Nimman Hotel)

5.1.1 Hotel Information

Victoria Nimman Hotel located on Nimman Soi 17, in front of the alley. Most of the hotel guests are Thai people. When there is an epidemic of COVID-19 As a result, the lockdown has been announced to refrain from traveling from other provinces, causing the hotel to have an occupancy rate of less than 5%.

After that, the hotel had a meeting which organized every week and decided to reduce the number of employees, reduce shifts, and also create food campaigns to earn more revenue in order to survive.

5.1.2 Adapting strategy in terms of Marketing

The easing of lockdowns has allowed more people to come back to travel. Nimmanahaeminda area is an area where Thai tourists are already traveling. This allows the hotel to continue its business. Because the hotel has enough parking spaces for Thai customers. because Thai customers are already the main customers If there is no change, ask for additional measures.

5.1.3 Adapting Strategy in terms of management

Victoria Nimman Hotel joined Ttogether campaign. Therefore, the price adjustment strategy (4Ps: Promotion) will make Thai customers more interested and stay. The management of the Victoria Nimman Hotel said that We travel together, it's a very good campaign. and want to continue. In addition, I want walking street and night attractions are back open as usual Because these places are businesses that make people come to visit. It is also the charm of Chiang Mai. If businesses can return to open as before. believe that soon Chiang Mai will recover Back to normal quickly for sure.

5.1.4 Government policy applied by the hotel:

Victoria Nimman Hotel has joined Ttogether government campaign in order to attract more Thai guests because there are many hotels which compete in a lowering price strategy. In Ttogether campaign, it helps both entrepreneur and guest to save more money because the government will pay for the price differential.

5.1.5 Entrepreneur's forward- looking perspective:

Short time (1-3 months): still in bad situation

Middle time (1-3 years): may be gradually get better; however, can get better after easing lockdown

Long-term (3-5 years): If there is an effective vaccine hotel, situation can be fully recovered.

5.2. Case Study#2: Hotel MAYU Chiang Mai



Figure 5.2: Hotel MAYU Chiang Mai (Source: Hotel MAYU Chiang Mai)

5.2.1 Hotel information

Hotel MAYU Chiang Mai is located on Chang Phueak Road, next to Maya Shopping Mall. It has been open since 2020, where Chinese customers account for 80 percent, Europe and the United States 10% of total guests. Because Chiang Mai is the first province that has announced the movement regarding the COVID-19 epidemic, all Chinese tourists Cancel the reservation and request a refund. After that, those who will come to stay from other countries will also cancel as well. However, the location is quite convenient to walk and park, so there are still some Thai tourists staying. However, during the lockdown, it is quite lonely because there is a curfew before 11 PM. In addition, entertainment venues were closed. causing everyone to hurry back to their homes rather than going out after the lockdown event. and able to travel across the province Thai tourists come back to visit Chiang Mai. and come back to stay more at the hotel Most of which are customers who have already stayed which so-called return guest.

5.2.2 Adapting strategy in terms of Marketing

Hotel MAYU Chiang Mai has received the SHA standard because it has already complied with the state regulations. But have not joined the project, we travel together because most Thai tourists travel by car. Causing the parking lot may not be enough if participating in the project we travel together This is because the hotel plans to have foreign guests or guests without a car. and tourists who have a car in proportion to the number of rooms

5.2.3 Adapting Strategy in terms of management

In terms of enterprise, the personnel department said Some employees have resigned due to reduced income by lessen service charge and fear that COVID-19 will affect their families. On the other hand, we have selected employees with low abilities. to work out to reduce unnecessary expenses in terms of finance and services The hotel offers refunds to guests who cannot be accommodated (Refundable).

5.2.4 Government policy applied by the hotel: The hotel has not joined any government campaign because OTA is the main channel for customers and it still work during COVID-19. Furthermore, the review is good. There are returned guests and mouth-to-mouth customers.

5.2.5 Entrepreneur's forward- looking perspective:

Short-term (1-3 months): The situation may recover but not 100 percent.

Middle-term (1-3 years): It will be 80% recover.

Long-term (3-5 years): Everything will back to normal situation.

5.3. Case study#3: MD HOUSE Chiang Mai



Figure 5.3: MD House Chiang Mai (Source: MD House Chiang Mai)

5.3.1 Hotel Information

MD House Hotel is located at Tha Phae Gate, Old Town. Most of the guests are foreigners. Most of them are Westerners who came from Europe and the United States.

5.3.2 Adapting strategy in terms of Marketing

MD House Hotel has a discount room rate per night. However, the architecture of the building is guest house style, and these types of rooms are not quite popular with Thai tourists.

5.3.3 Adapting Strategy in terms of management

The spread of covid 19 cause no hotel guests We have reduced the number of employees. but did not participate in government campaigns Because the hotel focuses on foreign tourists only. However, the price has been reduced. According to no activity in the middle area of Old Town as Sunday walking street, less people passed by, so there are no occupants.

Turning Crisis into Opportunity with repair and renovate the dilapidated hotel The owner of the MD House hotel mentioned that if there is an effective vaccine, international tourist will be able to come back.

In terms of strategic adaptation, the hotel has also reduced staffing and renovated the hotel. However, they can wait for the situation to improve even if it takes time. Due to the pre-Covid-19 period, there are already many guests. and guest houses for Thai customers are not very popular. Thus, using this period of time to improve and take care of the hotel to wait for the right time.

5.3.4 Government policy applied by the hotel:

The hotel is not affiliated with any government projects. because the target customer group is foreigners and still waiting for the situation to improve to wait for the target customers to return.

5.3.5 Entrepreneur's forward- looking perspective:

Short-term (1-3 months): The situation will be better but not that much. For the future, it may recover step-by-step.

Middle-term (1-3 years): International tourists will be returned.

Long-term (3-5 years): It may lead the full recovery.

5.4 Case study#4: Hotel Rosy



Figure 5.3: Hotel Rosy (Source: Researcher)

5.4.1 Hotel Information

Hotel Rosy is located in the moat area, just completed in late 2020, decorated in retro colonial style. It is a hotel that feels warm like home and convenient to travel on foot in the old town. However, because the hotel wants to save money. Therefore, the owner mentioned that there is no front desk staff; however, guests can contact with the hotel online.

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5.4.2 Adapting strategy in terms of Marketing

Rosie Hotel is a newly opened hotel. Due to the spread of COVID-19, the number of guests is not many. Therefore, we cannot reduce the price again because there are no main customers targeting group as foreigners. Hence, it still unable to do market research or reasonable price for guests because competing hotels are remained discounting.

5.4.3 Adapting Strategy in terms of management

In terms of management, the hotel has adapted by contactless communicating with customers and focus on communication via online media. On the part of the staff, there is one hotel maid who can also welcome customers. The number of guests is not much. Thus, this makes the guests feel comfortable and friendly. Rosie Hotel Executive said COVID-19 Pandemic was an unexpected event. All countries are affected a lot because of emerging diseases. for adaptation during this period. is to wait for things to get better, which can take years. But they can wait and understand the situation that is happening.

5.4.4 Government policy applied by the hotel:

The hotel is not participating in any state program, the hotel only reduced the price. to attract more Thai customers.

5.4.5 Entrepreneur's forward-looking perspective:

Short-term (1-3 months): Expect nothing better because Outbreaks can happen over and over again. because most of the population has not been vaccinated

Middle-term (1-3 years): It is expected that foreign customers will return.

Long-term (3-5 years): Chiang Mai tourism should recover 100%.

Table 5.1: Adapting Strategies of 4 entrepreneurs

Name of Hotels	Adapting strategies								
	Hotel type	Type	Location	No. of Room	Marketing	Human Resource	Finance	Physical	Services
Victoria Nimman Hotel	2	Hotel	Nimman	78	Ttogether Campaign	-Leave without pay	Operating as normal	Renovation	Normal
Hotel MAYU Chiang Mai	2	Hotel	Nimman	110	Lower price	-Leave without pay	Lowering operating cost such as employee payment	Renovation	Close dining room / take away breakfast
MD House	2	Guest house	Old Town	115	Lower price	-Leave without pay	Lessen employee i.e. self check-in	Renovation	Normal
Hotel Rosy	2	Hotel	Old Town	32	Lower Price	-Leave without pay	Lessen employee i.e. self check-in	Just open	Close dining room / take away breakfast

5.5 Human Resource

The COVID-19 pandemic reduced the attractiveness of hospitality occupations. For example, most of employees need to leave without pay in order to stay safe and the limitation of people occupied in the hotel from social distancing. Furthermore, the minority are some employees who fear of the outbreak which can be transferred to their family and friends. In addition, because of the reduction on guest arrival, the income of the employee has been reduced. Thus, some employees may not satisfy with their payment and the risk of the pandemic.

High performance employees are considered valuable assets for the firm; these employees contribute toward firms' performance recovery once the disaster is pacified. Thus, hotel firms should strive to maintain high performance employees during the pandemic situation. For hotels located in the center of the pandemic and involved in the anti-pandemic battle, it is critical to ensure the physical health, psychological well-being, position and income of the front-line staff. Hotels at the border of the pandemic must reduce non-essential labor costs flexibility by sharing labor with the related service industry, and laying off laborers with low-performance efficiency and poor working attitude. Hotels may also employ outsourced labor for some service procedures (e.g., food delivery and laundry) to enhance cost-efficiency. There is an emerging trend to retrain staff to multitask in order to improve work flexibility and optimize human resource allocation. On the other hand, hotels may also take advantage of the low business season to train staff online, support staff development, encourage employees to take annual leave, and reduce workdays and hours (McKercher, 2020).

5.6 Physical appearance of the building

The impact of the COVID-19 pandemic on customer experience design in the hotel managers' perspective is that physical environment and safety are important. As for the future actions, hotels should focus on the development and implementation of new cleaning protocols and the re-design or renovation of the building layout in line with social distancing rules.

5.7 Marketing

From the interview, researcher can conclude that there are two main groups of factors. First, the factors affecting the initial return of travel in the business and leisure segments.

- a) **Target group or Type of travelers** - local demand of traveling, there was a relatively low hotel demand during the COVID-19 period. The recovery of the inbound tourist market remains hard to predict. According to Lanjing Finance (2020), with the recommencement of business travel including local leisure trips, short-distance sightseeing (one-day tour) and weekend leisure, mid-range sightseeing and leisure (intra-provincial tourism), and long-distance tourism (cross-provincial domestic travel); therefore, hotels should focus on business travelers and more on local demands. Moreover, the China Hospitality Association (2020) mentioned that in the fourth quarter of 2020, the hotel industry may undergo a compensatory consumption growth, eventually making up for the revenue loss.

For overseas travelers, the overnight rate of inbound passengers dropped dramatically, compelling hotels targeting international business travelers to seek new markets and segments. However, the hotels' occupants included stuck travelers, Hubei citizens who could not return to their rented apartments, people who were required or volunteered to undertake self-quarantine, relatives of non-

COVID 19 patients admitted in hospitals, material supply transportation teams, and government officials overseeing anti-pandemic actions (Guan, 2020).

- b) **Pricing** should change in order to survive because the ability to pay between national demand and international demand are different.

- c) **Promotion** - Any rate qualified as a discount from the regular rates and reduce in the below categories: promotional website offering membership discounts so-called flash sales, mobile websites offering same day or last-minute discounts, online, campaigns; internet publication offers and packages, offline campaigns such as print publication offers and packages, special event such as offers during holidays (Landman, 2020)

5.8 Service

Two hotels in old town area have also been implementing technological solutions to provide contactless service and assure customers of service safety. During the pandemic, hotels increased the implementation of contactless services, including self-check-in, remote check-in, face-scanning, voice control of room service, self-checking out. These services focused to avoid human contacts and minimize their customers' stay in public areas, and thereby contributed toward reducing the risk of COVID-19 transmission and cross-infection (Guan, 2020; Yunji Technology, 2020).

5.9 Financial

Hotels apply strategies that help to reduce non-essential costs, enhance operating capabilities, monitor cash flow predictions, and make dynamic adjustments promptly based on the ever-changing pandemic situation. Hotels must also engage

online customers service and develop sales strategies such as advance sale and flexible daily pricing strategies based on the current situation.

Table 5.2: Related research of Adapting to change strategy (Source: Researcher)

	Keyword	Related Research
Human resource	Leave without pay Recruitment	The COVID-19 pandemic and organizational commitment of senior hotel managers
Physical appearance of the building	Physical environment Safety	The impact of the Covid-19 pandemic on customer experience design: The hotel managers' perspective
Marketing	Promotion Market Strategy Pricing Target group	Marketing Strategies After Towards COVID-19 hotel Business Success in Thailand
Services	Contactless Touchless	Effects of COVID-19 pandemic on hospitality industry: review of the current situations and a research agenda
Financial	Revenue Cutting cost	Managing hotel revenue amid the COVID-19 crisis (2021)

Concluding remarks

In conclusion, every entrepreneur planned to reduce price and some have joined government campaign in order to survive in low demand of hotel period of time.

For hotels in Nimmanahaeminda area, Victoria Nimman hotel and Hotel MAYU Chiang Mai, still operate as normal. Victoria Nimman Hotel was not reduced low performance employees but some employees were willing to quit because of pandemic panic. On the other hand, hotel MAYU Chiang Mai reduced employees who has low performance in order to cut unnecessary operation cost. Furthermore, entrepreneur planned to give take away food to reduce the spread of pandemic in hotel's public area and reduce operation cost in terms of electricity and Food & Beverage payment such as waitress payment.

For hotels in Old Town, MD house focused on foreign customer. This hotel is guest house; however, this type of hotel is not popular for Thai people. On the other hand, entrepreneur understand the situation and decide to half-open during COVID-19 situation because it is not the time to expand, hiring large number employees, and spending over unnecessary cost.

This research used secondary data collecting week-by-week in order to see the pattern of pricing and closure of operation to survive in long-run in traveling-base city, Chiang Mai.

The overview of adapting strategy mechanism is presented on chapter 5, while case implementation is presented in chapter 5. Furthermore, factors influencing setting up process and its implementation will be in chapter 6.

Chapter 6

Conclusion, discussion and recommendations

This chapter further explores the major factors influencing the adaptation strategies for hotel entrepreneurs. The mechanism is as well as an implementation which mention in chapter 4 and chapter 5. It is indicated that there are some driving indicators which stimulated hotel occupancy rate and travelling demand.

6.1 Summary

6.1.1 Adaptation Strategies

Collecting price and opening-closure patterns of 154 hotels in three main locations of Chiang Mai led to 3 main points. First, the correlation of average price change between 1st of March to 31st December 2020. Second, the correlation of same hotel type in different location, and the comparison of adapting to change in 4 case studies.

First, the correlation of average price change between 1st of March to 31st December 2020 is that different hotel type tends to have different price pattern. For example, hotels located in Nimmanahaeminda Road tends to positive trend after July 2020, after the 4th extension decree of lockdown and stay-home orders. Both hotel type 2 and 4 in Old Town also have positive average price trend; however, hotel type 1 average price per night fluctuated between April to September with a slightly drop until December. Night Bazaar's average price in 3 hotel types is steady and most of them maintain low occupancy.

Second, the correlation of same hotel type in different location; for example, all hotel types in Night bazaar have average day close higher than that of other areas (See

table 4.3). Following by Old Town, hotels segmented in type 4 close with the longest time which is 50 days.

Third, from the case studies, this research applied conceptual framework from adapting strategies which consisted of 5 main segmentations including human resource, physical appearance of the building, financial, marketing and services. Interviewing thought and plan of hotel entrepreneurs about hotel adapting strategies for survival. In order to look into the details precisely, researcher using keyword to analyzing the interview details from literature review on previous research about COVID-19 and hotel industry (Table 5.2) and the adapting strategies will be discussed in more details on article 6.1.2.

6.1.2 Business Adaptation Strategies of case study 4 cases

Chiang Mai hotel businesses are suffered during covid-19 period situation. Most hotel types in 3 locations have been closed down between 1st of March to 31st of December 2020. For example, hotel type1, type3 and type 4 in 2 locations have been closed in this period. As can be seen in Table 4.4, Night Bazaar's target group is all based on foreign tourists. Thus, with no customer, hotels closed longer than other areas. On the other hand, only hotel type 2 in three locations that still open during COVID-19 situation. Furthermore, hotel type 1 located in both Nimman and Old Town area has a positive price trend and average days close were less than other types. In order to cope with COVID-19, in terms of entrepreneurs, this research interviewed 4 enterprises, 2 enterprises who operated hotels in Nimmanahaeminda Road and 2 enterprises who operated hotels type 2 in Old Town. Even though they located in the same area; however, there are some differences. Victoria hotel Nimmanahaeminda used Together government campaign because customer target group is Thai people. In contrast, Hotel MAYU Chiang Mai did not join government campaign because there still some long stay foreigners.

Last but not least, there are differences in business strategies between different hotels and the factors that helps business to recover.

6.1.3 Overview of Chiang Mai hotels adapting differences between types and locations

The lack of pandemic planning and absence of guidance from the employer about COVID-19 suggesting a lack of pandemic planning. WHO mentioned that if there have not given training about precautions or made any awareness which could led the situation to be worsen (2020).

In comparison of types, the percentage of 100 of hotel type 1 in Nimman and Night Bazaar have been closed down between 1st of March 2020 to 31st of December 2020. Hotel type 1 located in Nimman closed shorter than that of Night Bazaar. In contrast, hotel type 1 located in Old Town closed only 61 percent during exploring time. Hotel type 2 in Old Town is the most expensive compared to other types in the same area. This is because land in Old Town is small and there is a restriction about legal of building height. Hotel type 2's average closed down time tends to lower than other types in the same location (see Table 4.3). There are only 3 hotels segmented as hotel type 3 in 154 hotels data collecting. They all closed down between exploring period of time. However, the average close down time is between 35-50 days as similar as hotel type 1 in the same area. Hotel type 4 in all locations average closed days is higher than any other type.

Comparing by location, hotels located in Nimmanahaeminda Road percentage close is less than hotels in Old Town, following by hotels in Night Bazaar. This related with people and tourists' group. Nimmanahaeminda based on half Thai and half foreigners. Old town area mainly based on foreigners, followed by Thai tourists. Finally, Night Bazaar is well-known for foreign tourists.

6.2 Discussion

Target group plays a crucial role in adaptation strategies. From the interview of 4 entrepreneurs in 2 locations, the similar adapting strategies which have been applied including lowering price, reducing employees and applying leave-without-pay policy. Even though they share some similarities; however, the differences outweigh. For example, hotels located in Old Town area have not change the target customers which is foreigner. They are able to operate the hotel business as usual because they hired less employees than in Nimman area, and they both hired multi-function employees. Hotels located in Nimman closed less than other area and some have positive price trend.

Hotel types related with adaptation strategies. For example, hotel type 1 located in Old Town focused on solo traveler who able to share the space with other guests. Thus, this type of hotels closed more and the price trend is negative during COVID-19 situation.

In addition, traveling will be recovered; however, the recovery is tended to take longer than in other industries, and this will vary across segments. Travel and vacation will be returned at different paces both domestic and international travel (McKinsey, 2021). For the recovery, there are 2 main ways to explain the tentative situation including tourism's point of view and business traveler's point of view. For leisure traveling, visiting friends and relatives will return first, mostly by car (McKinsey et al., 2021). Travel restrictions combined with economic uncertainty will likely turn into a higher share of domestic and close-to-home travel. Longer international leisure trips will be slowly recovered and tourists will expect greater flexibility in cancellation and change fees. The recovery may include extremely short planning cycles driven by gradual lifts of the travel restrictions and very short booking windows as travelers monitor the situation. For business travelers, demand will likely to have a smooth recovery (McKinsey,2021). Most expect those certain types of travel—like internal meetings—will never fully return to pre-COVID-19 level (McKinsey,2021). Most of entrepreneurs say that government plan for turn off travel restrictions in phases, and are developing processes and more

agile travel policies to account for safety before authorizing travel. Client-facing visits such as site visits and sales calls are likely to return first. Day trips and self-drive travel are likely to return earlier since physical-distancing measures, exposure, and risk will be more manageable. Conferences and industry events will likely be the last to return. As domestic travel in Chiang Mai slowly returned, cautious travelers prefer to stay close to home, either driving to regional destinations.

6.3 Main Findings

Supply and demand have an essential influence on all kinds of business. Dynamic pricing and booking restrictions are often put in place to optimize inventory and balance supply and demand. When a hotel forecasts high demand or demand exceeds the capacity, higher prices and more restrictions are set to target the selected customers. On the other hand, when demand is low, there is less opportunity to yield through pricing. The changes in the hotel business during an unexpected circumstance as Covid-19 situation led Chiang Mai hotel businesses to suffer. Even though most hotel types in 3 locations have been closed down between 1st of March to 31st of December 2020, most of entrepreneurs are able to plan and able to maintain business through the crisis. The implication for hotel industry is that the recovery will vary across segments. Travel and vacation will be returned at different paces both domestic and international travel (McKinsey, 2021). From field survey between February to December 2020 in Chiang Mai, found that the factors affecting the initial return of travel in the domestic business and leisure segments. Changeable factors: target group, pricing, service, marketing and human Resource. Unchangeable Factors or the factors which cannot be adapted once have been created: location and Financing – Fixed cost i.e., electricity fees, taxation, and employee payment. For the next normal, it will be created by structural shifts, especially around customer expectations as well as hygiene and flexibility. On the other hand, hotels may also take advantage of the low business season to do renovation, train staff online, support staff development, encourage employees to take annual leave, and reduce workdays and hours (McKercher, 2020).

This research aims to exploring the change in the hospitality business during an unexpected circumstance which is Covid-19 situation, examining the adaptation strategies of hospitality entrepreneurs to recover and able to maintain business through the crisis investigate the related factors to cope with the crisis, analyzing the difference of coping strategies between different hotels. Hence, this led to the research questions including What Chiang Mai hotel business situation during covid-19 period is, how to maintain or cope with this kind of crisis in terms of entrepreneurs, what the difference in business strategies between different hotels and what are the factors that helps business to recover is.

Collecting data between 1st of March 2021 to 31st of December 2021 from 154 hotels and interviewing 4 entrepreneurs about their adaptation strategies. The result found that Victoria hotel Nimman used Ttogether government campaign because customer target group is Thai people. In contrast, Hotel MAYU Chiang Mai did not join government campaign because there still some long stay foreigners and there are differences in business strategies between different hotels and the factors that helps business to recover including three main findings including price changes, days closed, and different hotel strategies.

First, price change is one of the most important adapting indicators because overall property's efficiency comes from the total of the various departmental incomes reduced by undistributed operating expenses (Barrons, C., 2013). For example, hotel type 3 and 4 need bear more fixed cost than hotel type 1 because of employees and room maintenance cost. Furthermore, hotels located in Nimman and Old Town tends to have more positive price trend. On the other hand, all hotel types located in Night Bazaar has a steady price.

Second, the number of days closed reflected the demand of staying at hotels during each period of time. This factor can affect the adaptation of each strategy in reducing price and opening-closure of hotel in order to cope with COVID-19 situation. As can be

seen, in Night Bazaar area which mainly based on foreigners, hotels located in this area closed more than other areas compared to its own hotel type.

Third, during pandemic time, there is no international traveling demand. Thus, hotels with Thai guests targeting group tend to adapt faster than foreigner targeting hotels because of many factors such as parking lot, room type, facilities, etc. In short-run, it is important for entrepreneur to adapt themselves in order to survive. National demand for traveling required to be cheaper price due to economics and incomes. However, in the long run, Chiang Mai hotel business still need international traveling demand in order to survive in the hospitality business.

Investors are providing similar views of hotel firms' prospects, as seen in the underperformance of real estate investment trusts (REITs). Hospitality business sector will see both subtle and substantial shifts in the post-pandemic period.

6.3.1 Recommendation

For future research, the limitations of this study mainly lied in the unpredictability of the pandemic which can be a deterioration in the performance of hotels serving as quarantine stations, hospital extensions, and medical crew dormitories. This decline may occur when occupants have negative impacts on the place with unpleasant memories about the virus, horror, suffering, and death. The performance may also boost as a result of its corporate social responsibility activities during the time. The study can be conducted to explore performances and examine whether it could have been improved with better adapting strategies for business survival. However, there is no research yet has analyzed the adapting strategy of enterprise in the unprecedented situation like COVID-19 pandemic in Thailand, this study has made an effort to study about COVID-19 adaptation strategy both in Micro and macro data collecting and data analysis. This research serves a stepping-stone for future research to make a research about post-COVID-19 impact since the future

COVID-19 situation is unpredictable. This research mainly focused on supply side of hotel vacancy during COVID-19 period.

For hotel entrepreneurs, it is crucial to study trend that influences technology adoption on customers' experience, engagement, satisfaction, loyalty, and the hotel brands and properties' performances during the post-pandemic period in order to gain return guest and better hotel's review.

For the governments, the demand of international staying hotel is hard to predict during this time while every country's government trying to solve the widespread pandemic problem. Hence, it is important for policy makers in order to ensure the safety of the wide spread outbreak and the travel across borders. In addition, it is important to encourage tourism because Thailand, especially Chiang Mai's economy based on tourism. For international tourism demand can be boosted when the outbreak is lessened while Thai citizen able to attain effective vaccine.

Finally, future studies must use more accurate prediction models and methods to surveys about customers' post-pandemic travel willingness and consumption preference. This will help academics and practitioners to foresee the rehabilitated hospitality business. The future studies can also empirically investigate the influences of technology adoption on customers' experience, engagement, satisfaction, loyalty, and the hotel brands and properties' performances during the post-pandemic period. Furthermore, it would be worthwhile to investigate the future trends.

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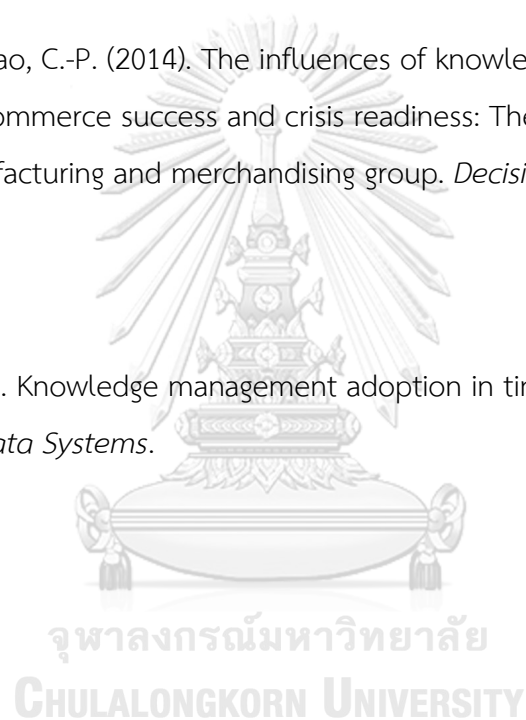
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