

MARKETING STRATEGIES OF THAI SPA OPERATORS IN BANGKOK METROPOLITAN

Asst. Prof. Pimpa HIRANKITTI¹

Marketing Department, Faculty of Business Administration
Rajamangala University of Technology, Thanyaburi
39 Rangsit-Nakornnayok Road, Pathumtani 12110 Thailand
Email: hpimpa_rmutt@hotmail.com
Tel. 662-549-4818 Fax. 662-549-3243

Asst. Prof. Dr. Panisa MECHINDA, Ph.D.

Marketing Department, Faculty of Business Administration
Rajamangala University of Technology, Thanyaburi
39 Rangsit-Nakornnayok Road, Pathumtani 12110 Thailand
Email: Lpanisa@yahoo.com
Tel: 662-628-6007 Mobile: 668-1844-4660 Fax: 662-693-8043

Assoc. Prof. Suwimol MANJING

Marketing Department, Faculty of Business Administration
Rajamangala University of Technology, Thanyaburi
39 Rangsit-Nakornnayok Road, Pathumtani 12110 Thailand
Email: smanjing@hotmail.com

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¹ Corresponding author

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Abstract:

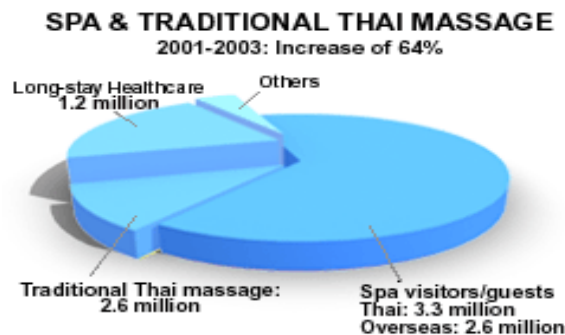
This research aims to study the general information on the spa business, marketing strategies and results of the operations of the day spa and resort/hotel spa operations. The sample used for this research was 45 Thai spa operators in Bangkok. It used questionnaire as the tool for collecting information. The research results found that most operators had been in business between 3-4 years, with 12-15 employees, had the ratio of Thai customers about 42-67 percent, and foreign customers 33-70 percent. There were about 356-491 customers used the service per month. The marketing strategy of the spa business was to give priority on the product, which was to provide diversity. The physical characteristics were the atmosphere inside the shop and the basic equipment. The service was the process of providing efficiency, on the spa therapy was hospitality, the reception was speed and efficiency, the marketing promotion was advertising via the Web site, and the price was set suitably corresponding to the service quality.

Key Words:

Marketing strategy, Spa, Thailand

Introduction

Thailand's strategic location at the crossroads of Asia and its proximity to the region's developing economies has presented the country with a unique opportunity to serve as a regional centre for healthcare and medical care. Thailand is home to Asia's first internationally-accredited hospital and also enjoys an established reputation as 'Spa capital of Asia' (Tourism Authority of Thailand, n.d.). Introduced in the early 1990s, spas in Thailand are a relatively new phenomenon but has recently sky-rocketed in popularity. Not only are spas popular and fashionable with foreign tourists and expatriates, but the local Thais are also enjoying this new alternative therapy. At first, spas were only to be found in 5-star hotels but they have now mushroomed everywhere. Spas can be found at all the major tourist destinations in Thailand such as: Bangkok, Phuket, Pattaya, Ko Samui, Chiang Mai and Hua Hin (Tourism Authority of Thailand, n.d.).



Pic.1 Spa and Traditional Thai Massage in 2001-2003

Source: Thai Spa Association 2003

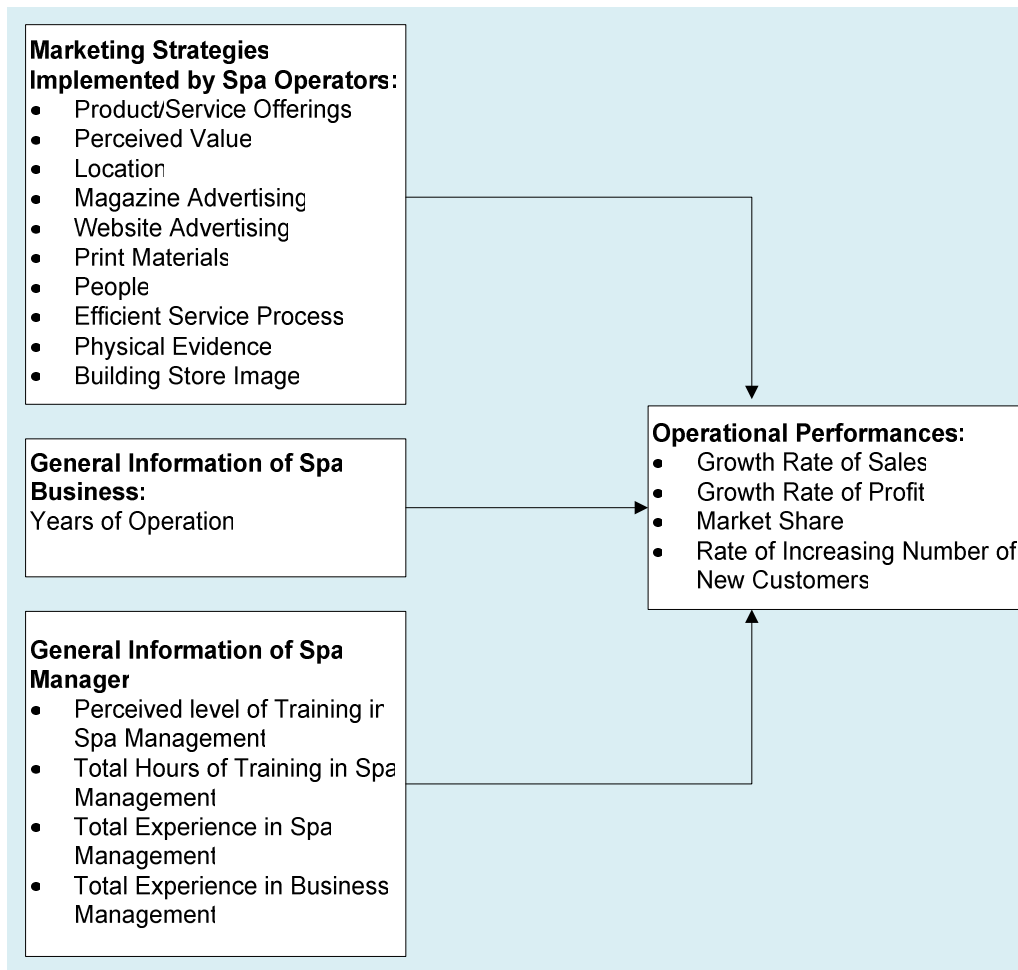
During the years 2001-2003, the growth of the spa industry in Thailand rocketed by 64% and since 1999 Thailand has secured itself a top-5 world rating. In fact, Thailand is the second highest ranked spa destination of the world with an overall grade of 93%+ (just slightly behind Australia). Chiva Som International Health Resort located in Hua Hin, is ranked number one in the world while the Regent Chiang Mai Resort and Spa is ninth. During June 2001-June 2002, 230 operators serviced 2.5 million international clients, creating revenue of \$85 million. This amount well exceeds that of competitive countries, such as Singapore (\$35 million) and Australia (\$15 million). In total, 79% of all clients were foreigners (Tourism Authority of Thailand, n.d.). Although the Thai government has had very little involvement and has not extended much support to the spa sector in the past, the sector has performed exceptionally well and currently generates 3.6 billion baht. With the plan developed by Ministry of Public Health in an attempt to achieve quality standards, a forecast of 6.3 billion baht representing an increase of 75% is achievable," Director-General Dr. Aungkasuvapala mentioned.

Corresponding to the plan developed by Director of Ministry of Public Health, in order to reach such formidable growth rate (75%), spa operators should know what factors contribute to those performance. Therefore, in this study we endeavor to examine the marketing strategies performed by spa operators and to determine how those strategies associated with operational performance of spa business. The marketing strategies that are of interest in this study are expanded marketing mix for service business along with store image. Thus, spa operators can benefit from this research by focusing their efforts and resources on factors that contribute to operational performance.

Research Objectives and Framework

The objectives of this study are threefold.

- First, to examine the service marketing mix strategies (e.g., product/service, perceived value, promotion, distribution, people, process, physical evidence) and store image, which are implemented by spa operators
- Second, to explore the differences between hotel spa versus day spa in terms of implementation level of those strategies and their operational performance.
- Third, to explore the association between the service marketing mix strategies, store image, general information of spa business, as well as general information of spa manager, and operational performance as illustrated in conceptual model below.



Pic. 2 Conceptual Model of Current Study

Literature Review

The literature is consisted of two main parts: the first relates to spa industry in Thailand whereas the second part relates to service marketing strategies.

Current Situation of Spas in Thailand

Thailand is recognized as a global leader in the health spa industry, which has grown rapidly in Thailand in recent decades. People choose to visit health spas in Thailand not only as a means of stress relief and to relax, but also for advice on how to develop healthy habits and improve physical fitness (Tourism Authority of Thailand, n.d.). There are numerous different types of spa services in Thailand which focus heavily on Thai massage. They are categorized as massage for health, massage for beauty and traditional massage. Also, there are varieties of spas in Thailand. However, it can be classified into four types. They are:

- Destination spa, the famous destination spa in Thailand is Chiva Som which attracts floods of visitors from all around the world who come to Thailand specifically to be pampered there. Its sole purpose is to help you lead a healthier lifestyle through spa treatments, exercise, and educational programming. You stay at least two nights. Some have minimum stays of three or seven nights. Spa cuisine is served exclusively.
- Hotel spas / Resort spas / Retreat spas, these spas are located within a resort or hotel. It offers spa services, fitness classes and spa cuisine alongside less health

choices like steaks and burgers. It's a good choice when one person wants spa and the other golf. It also works for business travelers and families. Popular spas like there can be found at the top hotels in the major tourists destinations such as: Phuket, Pattaya, Hua Hin, Bangkok, Ko Samui and Chiang Mai.

- Day spas are located in the center of the major towns, Bangkok particularly. It offers spa treatments on a day-use basis. They are aimed at business folk who have been stressed out because of their rushing serious life-styles. It may take only 30 minutes or one hour.
- Medical spas are provided in Thailand's top hospitals. It offers treatments that require a doctor's supervision, such as laser resurfacing and Botox injections.

The current study emphasizes mainly on Hotel spa and Day spa located in Bangkok.

Key Success Factors: the winning mix for the success of health tourism in Thailand

1. Professionalism and expertise of medical staff or spa operators.

Thai doctors, surgeons, dentists and orthodontists, pharmacologists, therapists and technical staff have knowledge in medicine, healthcare, healing techniques and traditions (conventional and traditional). This transfer of know-how has raised the country's profile as an upcoming health and medical centre.

2. The range of high quality healthcare and medical care products and services available. For instance, the traditional art of Thai massage and Traditional Thai herbs are often featured as part of the therapy. Thailand is a rich source for a diverse range of fresh herbs known for their therapeutic and healing qualities. For example, the use of fragrant Thai herbs in warm poultices, herbal products and herbal teas, food supplements, cosmetics and beauty products are the key product categories with high potential on the world market.

3. Service Quality

Patients are welcomed as 'guests' and made to feel at home in unfamiliar surroundings. The reception is gracious and courteous. Medical staffs consistently provide superior service (Tourism Authority of Thailand, n.d.).

4. Thai-ness and enchanting Thai traditions

Spa operators likewise report that guests are charmed by the traditional 'wai'-a courteous greeting gesture that conveys profound respect, infinite warmth, hospitality and friendliness. The 'wai' is perceived by visitors to be uniquely and distinctively Thai (Tourism Authority of Thailand, n.d.).

5. Attractiveness of Destination

Thailand is amazing place for relaxing and a superb destination for stunning beaches, islands, mountains, modern infrastructure, and cuisines.

6. Value for money

Guests and visitors view that Thailand offers value for money. The costs of treatment in Thailand are a fraction of what it costs in home country.

Government Plan and Key Strategies for Future Success

The Royal Thai Government sees vast potential in the development of Thailand's healthcare and health-related services. The mission spearheaded by the Ministry of Public Health and the Ministry of Commerce aims to firmly establish Thailand's leadership position on three fronts-as 'Health Tourism Hub of Asia', the 'Wellness Capital of Asia' and 'Thai herbs for health'. Destinations targeted for this plan are Bangkok, Chiang Mai, Phuket and Samui (Tourism Authority of Thailand, n.d.).

As 'Health Tourism Hub of Asia', the priority for medical services is to ensure that the destination is perceived as being a quality destination in the delivery of superior medical and

health-related services (Tourism Authority of Thailand, n.d.). There are three product champions under the "Health Services" category, which are health spas, traditional Thai massage, and long-stay healthcare products and services.

The three key elements that form the core of Thailand's strategy for future success are quality, integration, and linkage. First, beyond a competitive pricing strategy, achieving quality is a key to Thailand's competitiveness. The ability to attain international standards and consistently deliver high quality products and services are critical success factors in the promotion of Thai products on the global market. Second, in order to pursue an integrated approach and linkage for marketing promotions and the facilitation of services, both private and public sector need to cooperate.

Nature of services

Most academicians and practitioner have agreed on the fact that services are distinguished from manufactured goods, particularly in four aspects: that are intangibility, heterogeneity, inseparability, and perishability (Parasuraman, Zeithaml and Berry, 1985). These characteristics have challenging implications for service marketers. Firstly, most services are intangible because they are performances rather than objects. They cannot be counted, measured, inventoried, tested, or verified in advance of sale to assure quality (Zeithaml, 1981). A service is rendered. A service is experienced. A service cannot be stored on a shelf, touched, tasted, or tried on for size (Bitner, 1990). Therefore, customers seek surrogate measures of quality from other cues such as the appearance and behavior of service personnel as well as the physical surroundings (Shostack, 1977).

Secondly, most services, especially the labor intensive ones, are heterogeneous; their performance often varies from producer to producer, from customer to customer, and from day to day. This characteristic makes it hard to control quality and offer a consistent service, posing the challenge for marketer to manage service quality from customer's perspective (Lovelock, Patterson and Walker, 1998).

Thirdly, production and consumption of many services are inseparable (Carmen and Langeard, 1980; Gronroos, 1978; Regan, 1963). Whereas goods are first produced, then sold, service are produced and consumed simultaneously (Regan, 1963). Thus, a great amount of interaction between service provider and consumer occurs. This leads to the critical importance of managing service encounter. Furthermore, it has effect on how customer evaluate the quality of service, that is not only the technical quality (the outcome of service-receiving spa treatment) but also the functional quality (how the service is delivered-the way spa therapists treat their customers) are assessed. This could be one of the reasons why Thailand is famed for being 'Spa Capital of Asia'. Apart from being rich in natural ingredients (e.g., herbs) knowhow and traditions (Thai traditional massage), Thai people is famous for having hospitality, 'Thai smile' and courteous greeting gesture. All of these contribute to customer's evaluation of service quality and their impression.

Finally, services are of perishable nature. Services cannot be saved or stored. Treatment rooms not occupied, spa therapists who have no customers cannot be stored, airline seats not purchased, and telephone lines not used cannot be reclaimed. Services businesses frequently find it difficult to synchronize supply and demand. Sometimes too much demand exists particularly in high season for tourist and sometimes too little demand exists (in the low season) (Zeithaml, Parasuraman and Berry, 1985). Services are subject to demand fluctuations which can cause problems when organizations try to match supply and demand (Lewis, 1991). This aspect poses challenge for marketer in managing demand and service process during peak times so that customers receive pleasurable but quick and efficient service.

An expanded marketing mix for services

As a result of four distinctive characteristics of service, service marketer have found that the traditional four P's of marketing are inadequate to achieve customer satisfaction and loyalty. Booms and Bitner (1981), thus proposed an expanded marketing mix for services consisting of the 4 traditional elements-product, price, place, and promotion and three additional elements-physical evidence, people, and process. Each element of the services marketing mix has an effect on customer's perception of and experience with the service. These experience and perceptions have a pervasive influence on their satisfaction and loyalty (Yelkur, 2000).

Product/Service

This refers to the basic service or good including packaging and performance characteristics (Lovelock, Patterson and Walker, 1996). The product offer in respect of services can be more usefully analyzed in terms of two components: (1) The core service which represents the core benefit; (2) The secondary services which represents both the tangible and augmented product levels. The secondary services can be best understood in terms of the manner in which a service is delivered.

Price

Because of the intangible nature of the services, price becomes a pivotal quality indicator in situations where other information is not available (Zeithaml, 1981). It is essential, therefore that the services firm engages in competitive pricing. In the current study, we focuses on value pricing or perceived value. Zeithaml (1988) has defined it as 'the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given'. In other words, perceived value is the benefits customers receive in relation to total costs (which include the price paid plus other costs associated with the purchase) (Woodruff, 1997).

The construct of perceived value has been identified as one of the most important measures for gaining competitive edge (Parasuraman, 1997) and the most important indicator of repurchase intentions (Oh, 2000; Parasuraman and Grewal, 2000). Research has suggested that perceived value may be a better predictor of repurchase intentions, than either satisfaction or quality (Cronin, Brady and Hult, 2000). Bolton and Drew (1991) has shown that future intentions are determined in part by perceived value. In making the decision to return to the service provider, customers are likely to consider whether or not they received value for money (Zeithaml, 1988).

Place or Location

The place is where the service is made available to consumer. Place decisions refer to the ease of access which potential customer to a service such as location (distance to services sites) and distribution (e.g., home delivery, 24-hour availability). Place decisions can involve physical location decisions (as in deciding where to place a hotel), decisions about which intermediaries to use in making a service accessible (e.g. whether a tour operator uses travel agents or sells its holidays directly to customer).

Promotion

It is a decision of how best to communicate the product to target audience and how to persuade them to buy it (Lovelock, Patterson and Walker, 1996). No marketing program can succeed without an effective communication program. This component plays three vital roles: providing needed information and advice, persuading target customers of the merits of a specific product, and encouraging them to take action at specific times (Lovelock and Wright, 2002).The intangible nature of the service offer often results in consumers perceiving

a high of risk in the buying process, which promotion must seek to overcome. A number of methods are commonly used to remedy this, including the development of strong brands; encouragement of word-of-mouth recommendation; promotion of trial usage of a service; and the use of credible message sources in promotion (especially through public relations activity). The service marketer should constantly stimulate word-of-mouth communications (George and Berry, 1981) apart from using regular advertising. Communication includes informing the customer in a language they can understand (Parasuraman, Zeithaml and Berry, 1984).

People

The people refer to service employee who produce and deliver service. They act as the “fifth P” of the marketing mix. Many services require personal interactions between customers and the firm’s employees, and these interactions strongly influence the customer’s perception of service quality (Rust, Zahorik and Keiningham, 1996; Hartline and Ferrell, 1996). Personnel are keys to the creation of the service and its delivery to the consumer. Customers identify and associate the traits of service personnel with the firms they work for (Magrath, 1986). They are a key element of a customer-centered organization and source of differentiation variables together with product, services, channel, and image (Kotler, 2000). Similarly, they are important asset of an organization (e.g., Freeman, 1993, Shoniwa and Gilmore, 1996; Peak, 1997). Achievement of a customer-orientation is impossible if the employees of an organization do not see themselves as being there to serve the customers (Judd, 2001).

Physical Evidence

The physical evidence refers to the surroundings in which the services production is housed (Mittal and Baker, 1998). The intangible nature of a service means that customers are unable to judge a service before it is consumed, increasing the riskiness inherent in a purchase. Effective marketing planning is therefore to reduce this level of risk by offering tangible evidence of the promised service delivery. These physical assets are important in facilitating the enhanced marketing and delivery of services. A consumer must experience a service. This experience is greatly affected by both the setting that is visible to customers and the physical assets hidden from view (Magrath, 1986).

Physical surroundings and other visible cues can have an effect on the impressions customers form about the quality of the service they receive (Bitner, 1990). These “tangible” components of the service experience are called the “servicescape”-that is, the ambience, the background music, the comfort of the seating, and the physical layout of the service facility, the appearance of the staff-can greatly affect a customer’s satisfaction with a service experience (Rust, Zahorik and Keiningham, 1996).

Bitner (1982) has proposed three dimensions of the servicescape as follows; (1) ambient conditions, (2) spatial layout/functionality and (3) signs, symbols and artifacts. Several authors have identified ambient conditions as a factor that affects perceptions of and human responses to the environment (Baker, Berry and Parasuraman, 1988). Ambient conditions include background characteristics of the environment such as temperature, lighting, noise, music, and scent (Bitner, 1982). In studies of restaurants and supermarket, it has been illustrated that music tempo can affect pace of shopping, length of stay, and amount of money spent (Milliman, 1982, 1986). In another study, familiarity of music played in a department store setting was found to affect shopper’s perceptions of how long they spent shopping; when the music was unfamiliar to subjects, they believed had spent more time shopping (Yalch and Spangenberg, 1988).

Spatial layout refers to the ways in which machinery, equipment, and furnishings are arranged, the size and shape of those items, and the spatial relationships among them. Functionality refers to the ability of the same items to facilitate performance and the accomplishment to goals (Bitner, 1982). Signs displayed on the exterior and interior of a

structure are explicit form of communications. They play an important part in communicating the firm image (Bitner, 1992). Physical evidence, like the environmental décor and design significantly influence the customer's expectations of the service (Shostack, 1977). Since service cannot be readily displayed (Rathmell, 1974), firms should create a conducive environment that help the customers to develop a positive perception of the service.

Process of the Service Production

Because customers are often involved in the production of service, the flow and progress of the production process is more important for services that it is for goods. A customer who buys a television set is not particularly concerned about the manufacturing process that made it. But the customer at a fine restaurant is not interested merely in the end result-the cessation of hunger. The entire experience of arriving at the restaurant-of being seated, enjoying the ambiance, ordering, receiving, and eating the meal-is important. The pace of the process and the skill of the providers are both apparent to the customer and fundamental to his or her satisfaction with the purchase.

Process management assures service availability and consistent quality, in the face of simultaneous consumption and production of the process management, balancing services demand with service supply is extremely difficult (Magrath, 1986). Creating and delivering product elements to customer requires the design and implementation of effective processes. A process describes the method and sequence in which service operating systems work. Badly designed processes are likely to annoy customers because of slow, bureaucratic, and ineffective service delivery. Similarly, poor processes make it difficult for front-line staff to do their jobs well, result in low productivity, and increase the likelihood of service failure (Lovelock and Wright, 2002).

Store Image

The marketing of services requires, even more than does product marketing, a positive image for the service to transform it from a commodity to a product (Onkvisit and Shaw, 2001). Because of the intangible nature of services, the creation of a proper image is actually more critical for service marketing than for product marketing (Onkvisit and Shaw, 2001).

Martineau (1958) defined store image as "the way in which the store is defined in the shopper's mind, partly by its functional qualities and partly by an aura of psychological attributes" (1958, p. 47). "Functional," in this definition, refers to physical properties such as merchandise selection, price ranges, and store layout. "Psychological attributes" refers to such things as a sense of belonging, the feeling of friendliness, and the like. Other scholars have defined store image as an attitude. For example, Doyle and Fenwick (1974) noted that 'the term is used interchangeably with attitude toward the overall impression a consumer has to it' (1974, p. 40). James, Durand and Dreves (1976, p. 25) define store image as "a set of attitudes based upon evaluation of those store attributes deemed important by consumers. "

Consumers develop image of retail outlets and that these image influence store selection (Leonard 1969). Perceived quality appears to be associated consistently with high prestige stores and physical attributes of products (Wheatley and Chiu, 1977). Stafford and Enis (1969) found that their experimental subjects used price as a cue to product quality. The effect generally is agreed to be positive and it is when price is the only experimental treatment. When other cues are present, some researchers have found that price remains the dominant cue (Andrews and Valenzi, 1971) but others (Jacoby, Olson and Haddock, 1977) have found that it declines in importance and may become insignificant in its impact on quality perception. It is probable, however, that price effects on quality perceptions are product specific (Gardner, 1970). Stafford and Enis (1969) found that store prestige had only a weak effect on perceived quality, Andrews and Valenzi (1971) uncovered such an effect in a multihued setting involving sweaters and dress shoes.

Research Methodology

Targeted population in this study is day spa and hotel spa managers (or entrepreneurs) located in Bangkok, Thailand. According to Thai Spa Association, there are 21 hotel spas and 24 day spas which registered their name of business with the association. By law, all spas in Thailand are supposed to be registered with the Ministry of Public Health. However, there are a number of smaller outlets of spa that have not registered yet. Our focus is on the registered spas which having certified spa therapists.

Once, the researcher team has the name list of spa operators in Bangkok. All of them were selected and asked for cooperation in this study. The data collection instrument was self-administered questionnaire. Questionnaires were sent to them by mail, then the researcher team conducted a telephone call to ask for cooperation and to stimulate response rate. In some cases, researcher team must contact them personally to get the complete questionnaire back.

Measures

The questionnaire is consisted of four sections. First section deals with general information of spa business (e.g., length of operation, number of employees, proportion of Thai VS foreign customers, averaged number of customer per month). Second section deals with general information about spa operator as illustrated in Table 2. The third section relates to types of spa product/service offerings and a self-rating level of marketing strategy implementation by spa operators. Final section relates operational performance assessed by spa operators.

Regarding marketing strategy, the expanded service marketing mix or 7P's was employed together with building overall store image. Product/Service refers to the basic service or good offered to customers (Lovelock, Patterson and Walker, 1996). In this study product/service was measured by using a five-item five-point Likert scale as follows: (1) variety of spa products (2) variety of spa treatments (3) using high quality of spa products (4) using Thai herbs (5) using Thai traditional massage. This scale achieved moderate reliability with a Cronbach's alpha of 0.71. All items were aggregated into composite score and are employed in subsequent analysis.

Price was measured by three items five-point Likert scale comprising: (1) offering a wide range of price, (2) reasonable price in relation to service received and (3) perceived value for money. This scale achieved moderate reliability with a Cronbach's alpha of 0.51. All three items were aggregated into composite score and employed in subsequent analysis.

Place refers to the ease of access which potential customer to a service such as location. A one-item five point-Likert scale was employed by asking spa operators to rate the degree of implementation placed on location. Promotion refers to the ways spa operators used to communicate and persuade the product/service to target group (Lovelock, Patterson and Walker, 1996). There are three items as follows; (1) magazine advertising, (2) website advertising, (3) print materials. These three-item five point rating scale cannot be aggregated.

People refer to service employee who produce and deliver service. A five-item five-point rating scale was (1) professional of spa therapist, (2) courtesy of spa therapist, (3) friendliness of spa therapist, (4) responsiveness of receptionist, (5) cheerfulness of receptionist. These five-item five-point rating scale achieved Cronbach's alpha level of 0.68 and was aggregated into a composite score for further analysis.

The physical evidence refers to the surroundings in which the services production is housed (Mittal and Baker, 1998). It was measured by a five-item five-point rating scale comprising (1) internal decoration, (2) atmosphere, (3) smell, (4) sound, (5) cleanliness. This scale achieved Cronbach's alpha level of 0.79 and was aggregated into a composite score for further analysis. Service process refers to the flow of production process which is measured by a single item five-point rating scale indicating efficiency of service process.

Store image is measured by a single item five-point rating scale indicating the degree to which the spa operator has implemented on building overall store image.

In terms of operational performance, the author employed four items by asking the spa operators to rate the following criteria: (1) growth rate of sales (2) growth rate of profit (3) market share (4) rate of increasing new customers.

Data Analysis

After collecting the data, the author verified the quality of questionnaires and check for any missing data or errors. Then, the author had conducted normality tests and found that the data is non-normally distributed due to its limited sample size and using a five point scale. Therefore, the inferential statistics employed in this study are spearman rank order correlation instead of Pearson correlation. In this section, the results are described in the following order: (1) descriptive statistics about spa business, spa operator and spa product/services (2) descriptive statistics about marketing strategy implemented by spa operators (first objective) (3) inferential statistics about difference between day spa VS hotel spa in terms of marketing strategy implementation and operational performance (second objective) (4) inferential statistics about correlation between marketing strategy, characteristics of spa business and operators, and operational performance.

Tab. 1 General Information about Spa Business in Bangkok

	Day Spa (n = 24)	Hotel Spa (n=21)
Length of operation (years)	$\bar{x} = 3.25$ (SD.=1.82) Min = 1 year Max = 10 years Mode = 2 year	$\bar{x} = 3.62$ (SD. = 3.21) Min = 1 year Max = 13 year Mode = 1 year
Number of Employees	$\bar{x} = 11.42$ (SD. = 5.47) Min = 3 persons Max = 25 persons Mode = 7,10 persons	$\bar{x} = 14.71$ (SD. = 7.47) Min = 3 persons Max = 30 persons Mode = 15 persons
Proportion of Thai VS Foreign Customers	$\bar{x} = 67.08$ (SD. = 5.47) Thai	$\bar{x} = 42.38$ (SD. = 18.14)
	$\bar{x} = 34.17$ (SD. = 16.65) Foreign	$\bar{x} = 78.90$ (SD. =16.14)
Averaged Number of Customers/Month	$\bar{x} = 355.83$ (SD. = 220.29)	$\bar{x} = 491.90$ (SD. = 236.90)

Regarding general information about spa business in Bangkok, it was found that their averaged length of operation is 3.25 years for day spa and 3.62 years for hotel spa. Day spas generally have 11.42 employees whereas hotel spas have 14.71 employees. Most customers of day spas are Thai (67%) whereas most customers of hotel spas are foreign (79%). Averaged number of customers per month for day spas is 355.83 whereas 491.90 for hotel spas.

Tab. 2 Information about Spa Operator in Bangkok

	Day Spa (n = 24)	Hotel/Resort Spa (n=21)
Spa Entrepreneur	9	4
Spa Manager	15	17
Having Education in Managing Spa Business (Yes)	11	4
Perceived level of training in managing Spa business	Most = 0	Most = 3
	Much = 6	Much = 6
	Moderate = 12	Moderate = 9
	Less = 4	Less = 2
	Least = 2	Least = 1
Number of Hours Spent in training of Spa business management	$\bar{x} = 142.29$ (SD = 172.23)	$\bar{x} = 108.62$ (SD = 117.08)
Experience in managing Spa Business (years)	$\bar{x} = 3.83$ (SD = 2.54)	$\bar{x} = 3.86$ (SD = 1.95)

Regarding general information about respondents, the results show that at day spas there are 9 persons are entrepreneurs and 15 persons are managers. At hotel spa, 4 persons are entrepreneurs and 17 persons are managers. At day spas, 11 respondents out of 24 reported having education in managing spa business while at hotel spas, 4 respondents out of 21 reported so. Their self perception regarding training level of managing spa business is moderate both for day spas and hotel spas. The day spa respondents reported having 142.29 hours spent in spa business management training while the hotel spa respondents reported having 108.62 hours. Both day spa and hotel spa respondents have on average 3.8 years of experience.

Tab. 3 Information about Products and Services of Spa

Types of Spa service offerings	Day Spa (n = 24)	Hotel/Resort Spa (n=21)
• Hydrotherapy	17	13
• Massage	19	15
• Aromatherapy	23	21
• Beauty	23	21
• Reflexology	17	16
• Yoga	9	8
• Meditation	4	5
• Reiki	4	3
• Ji Kong	-	2
• Shiatsu	8	4
• Acupuncture	6	0
• Musical therapy	10	8
• Ayurvedth	-	4
• Nutritional therapy	-	4

Tab. 3 (cont.)

Types of Spa service offerings	Day Spa (n = 24)	Hotel/Resort Spa (n=21)
Hydrotherapy		
• Jacuzzi	18	19
• Sauna	20	16
Massage		
• Thai traditional massage	22	-
• Chinese massage	13	10
• Swedish massage	1	5
Beauty		
• Face	23	1
• Body	5	10
Additional service		
• Spa delivery	12	7
• Spa tour	2	1
• Spa teaching on how to do home spa	7	3

Remark: The questions in this section are multiple-answered format.

In terms of product/service offerings, the top five offerings are nearly the same. They are (1) aromatherapy, (2) beauty, (3) massage, (4) hydrotherapy, (5) reflexotherapy. Day spa reported using more of Thai traditional massage than hotel spa. Day spas focus more on beauty of face than body whereas hotel spas focus more on beauty of body than face. Both of them offered spa delivery.

Tab. 4 Marketing Strategies Implementation of Day Spa VS Hotel Spa

Marketing Strategies	Level of Implementation (Day Spa)			Level of Implementation (Hotel Spa)		
	Mean	SD	Ranking	Mean	SD	Ranking
Product/Service	4.27	.62	⑤	4.29	.48	⑤
Price (Perceived Value)	4.20	.52	⑥	4.15	.71	⑥
Location	4.33	.91	④	4.33	.730	④
Magazine Ads	3.42	1.01	⑨	3.62	1.02	⑦
Website Ads	3.83	1.12	⑦	3.43	.97	⑧
Print Ads	3.67	1.00	⑧	3.57	.97	⑨
Physical Evidence	4.40	.57	③	4.42	.33	②
People	4.65	.45	②	4.40	.43	③
Process	4.67	.70	①	4.48	.60	①

The results show that day spa managers focus their effort on (1) managing efficient service process (2) encouraging their staffs to be friendly, courteous and professional (3) creating physical evidence (4) convenient location (5) offering variety of spa services. The results from hotel spa are nearly the same. That is, hotel spa managers focus their effort on (1) efficient service process (2) physical evidence (3) people, (4) convenient location and (5) variety of spa services respectively.

Tab. 5 Differences between Day Spa VS Hotel/Resort Spa in terms of Marketing Strategies Implemented and Operational Performance

Group Statistics					
	Type of Spa	N	Mean	Std. Deviation	t-test for Equality of Means (Sig.2-tailed)
Product	Day Spa	24	4.2750	.62641	.905
	Hotel spa	21	4.2952	.48423	
Price	Day Spa	24	4.2083	.52762	.790
	Hotel spa	21	4.1587	.71195	
Place/Location	Day Spa	24	4.33	.917	1.00
	Hotel spa	21	4.33	.730	
Magazine Advertising	Day Spa	24	3.42	1.018	.510
	Hotel spa	21	3.62	1.024	
Website Advertising	Day Spa	24	3.83	1.129	.209
	Hotel spa	21	3.43	.978	
Print Materials: Brochure	Day Spa	24	3.67	1.007	.750
	Hotel spa	21	3.57	.978	
People	Day Spa	24	4.6500	.45012	.067*
	Hotel spa	21	4.4000	.43818	
Efficient Service Process	Day Spa	24	4.67	.702	.337
	Resort/Hotel spa	21	4.48	.602	
Physical Evidence	Day Spa	24	4.4028	.57508	.858
	Resort/Hotel spa	21	4.4286	.33982	
Building Store Image	Day Spa	24	4.29	.908	.072*
	Hotel spa	21	4.71	.561	
Growth Rate of Sales	Day Spa	24	20.21	9.722	.675
	Hotel spa	21	21.43	9.636	
Growth Rate of Profit	Day Spa	24	16.67	8.031	.225
	Hotel spa	21	13.57	8.824	
Market Share	Day Spa	24	16.88	7.042	.873
	Hotel spa	21	16.43	11.307	
Rate of Increasing Number of New Customers	Day Spa	24	21.79	8.973	.491
	Hotel spa	21	19.29	14.856	

Remark: Non parametric test (Mann-Whitney Test) was also performed and produced the consistent results. That is there are significant difference between day spa and hotel spa in terms of people and store image.

In order to explore the difference between marketing strategies implemented and operational performance, independent sample t-test was performed. Furthermore, due to limited sample size and the violation of normality assumption, Mann-Whitney test was performed. Both statistics produced consistent results. That is, day spa and hotel spa differ significantly in terms of two marketing strategies: (1) people and (2) building store image. Hotel spa managers emphasize more on building store image than day spa managers. While, day spa managers emphasize more on people than hotel spa managers. It should be noted that both of them are not significantly different in operational performance.

Tab. 6 Relationship between Marketing Strategies and Operational Performance

	Growth Rate of Sales	Growth Rate of Profit	Market Share	Rate of Increasing Number of New Customers
Product	0.133	-0.012	0.128	0.114
	0.384	0.940	0.401	0.458
Price (Perceived Value)	0.204	0.506	0.219	-0.133
	0.179	0.000*	0.149	0.382
Location	0.017	0.030	0.150	0.189
	0.910	0.843	0.324	0.213
Magazine Advertising	0.017	0.196	-0.177	-0.019
	0.910	0.198	0.245	0.902
Website Advertising	0.140	0.270	0.200	0.064
	0.358	0.073*	0.188	0.674
Print Materials: Brochure	0.104	0.083	0.175	0.103
	0.496	0.589	0.250	0.500
People	-0.158	0.266	-0.125	0.238
	0.299	0.078*	0.412	0.115
Efficient Service Process	0.090	0.149	0.247	0.408
	0.555	0.328	0.102	0.005*
Physical evidence	0.109	0.103	0.115	-0.004
	0.474	0.500	0.453	0.978
Building Store Image	0.074	0.043	0.049	0.116
	0.627	0.780	0.747	0.446
Years of Operation	0.032	0.192	0.189	0.136
	0.836	0.206	0.213	0.375
Perceived Level of Training in Spa Management	0.065	0.257	0.116	-0.075
	0.670	0.088*	0.448	0.625
Total Hours of Training in Spa Management	0.080	0.017	0.182	0.163
	0.603	0.911	0.232	0.286
Total Experience in Spa Management	-0.163	-0.188	-0.018	0.053
	0.285	0.215	0.907	0.728
Total Experience in Business Management	-0.123	-0.006	0.016	0.103
	0.421	0.969	0.919	0.500

In order to explore the association between marketing strategies and operational performance, spearman rank order correlation was employed. Since the data shows violation of normality distribution. Furthermore, the level of significance was 0.10 because of limited sample size. Stevens (1996) suggests that when small group sizes are involved it may be necessary to adjust the alpha level (e.g., set a cut-off of 0.10 or 0.15) to compensate the traditional 0.05 level. There is correlation between growth rate of profit and (1) perceived value (0.51) (2) website advertising (0.27) (3) people (0.27) (4) perceived level in spa business management training (0.26). Additionally, there is correlation between rate of increasing new customers and efficient service process (0.41).

Conclusion, Discussion and Implication

It can be concluded that marketing strategies implemented by day spa and hotel spa are (1) service process (2) people (3) physical evidence (4) location (5) products/services. There are no significant differences between them in terms of marketing strategies implemented and operational performance. Regarding relationships between operational performance and marketing strategies, it was found that growth rate of profit has associated with (1) perceived value (2) website advertising (3) people (4) perceived level in spa business management training. Furthermore, there is correlation between rate of increasing new customers and efficient service process.

The results are rational and consistent with the literature by confirming the critical role of perceived value pricing. Because of the intangible nature of the services, price becomes a pivotal quality indicator in situations where other information is not available (Zeithaml, 1981). It is essential, therefore that the services firm engages in competitive pricing. Research has found that perceived value may be a better predictor of repurchase intentions, than either satisfaction or quality (Cronin, Brady and Hul, 2000). In making the decision to return to the service provider, customers are likely to consider whether or not they received value for money (Zeithaml, 1988).

As Lovelock and Wright (2002) have mentioned that no marketing program can succeed without an effective communication. Since spa business has intangible nature, therefore consumers perceive high risk in buying. Communication becomes one of the most effective tools in building consumer's confidence. It should be noted that the method of communication that contributes to performance is website advertising. This result is rational and confirms the tourism literature that the main source of information sought by tourists is internet.

The people or service employee acts as the "fifth P" of the marketing mix. Given the nature of spa business, where production and consumption of service are inseparable. This, in turn, leads to inevitable role of service employee. Research consistently shows that customers often judge the quality of the service they receive largely on their assessment of the people providing the service (Lovelock and Wright, 2002). To achieve customer-oriented personnel, the organization needs to recruit and select the people, and offer an appropriate package of employment, in order to enhance their skills and encourage them. If the customers are dissatisfied, employees experience discomfort working with unhappy customer, and customer are unhappy because the employees were not trained in customer satisfaction. The extent of this mutual dependence influences the customer's perception of the service. Moreover, the inseparable nature of spa business causes service marketer to carefully manage their service process in order to ensure consistent quality and efficiency. Badly designed processes are likely to annoy customers because of slow, bureaucratic, and ineffective service delivery. Similarly, poor processes make it difficult for front-line staff to do their jobs well, result in low productivity, and increase the likelihood of service failure (Lovelock and Wright, 2002).

Results indicated that when spa operator reported having high level of training in spa business management, the growth rate of profit is likely to increase. This findings suggest that government agencies or spa business should educate, support, equip spa operators (both manager and entrepreneur) to have knowledge, skills and confidence in managing the business.

Limitation and Suggestion for Further Research

This study emphasizes on day spa and hotel spa located in Bangkok only. Furthermore, the sample size was drawn from spa operator who had registered their business with the Ministry of Health. There are many other types of spa operators uninvestigated like destination spa (Chiva Som, the number one in the global market) and medical spas. Thus, generalizability of data has to be done with care. Furthermore, due to limited sample size and nature of five-point scale rating data, the data has violated normality assumption. Additionally, Some measures used in this study are single-item. Although, the study benefit from using single item measures in terms of short questionnaire and boosting response rate. The problem with single-item is that it assumes that consumers have a shared meaning of those constructs (Petrick, 2004) and there is only one chance to capture the concept. As stated by Churchill (1979) that marketers are much better served with multi-item than single-items measures of their constructs and they should take time to develop them. However, a study by Bergkvist and Rossiter (2007), they compared predictive validity of single-item and multiple-item measures of attitude toward the ad and the attitude toward the brand. They found that there is no difference between these two measures and concluded that single-item measures should be used with constructs that consist of a concrete singular object and a concrete attribute.

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