



**Factors Related to Service Competitiveness of International Tourists  
Perspective toward Spas in Hotels and Resorts, Phuket**

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**ABSTRACT**

This study aimed to investigate the factors related to the service competitiveness of international tourists toward the spas in hotels and resorts in Phuket province so that the involved public and private sectors were able to plan marketing strategies for business development or to gain data for policy support. The samples included international tourists who came for a visit and had an overnight stay in Phuket for more than 24 hours. Probability Sampling in term of multi-stage sampling by means of stratified random sampling and then simple random sampling. The questionnaires were used as tools to collect data. The research found that the different demographic factors made no difference between the relationship and the service competitiveness of spas in hotels and resorts in Phuket province with the significance level of 0.05.

**Keywords:** Service competitiveness, International tourists, Spas in hotels and resorts, Phuket

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## Introduction

At present, tourism is very important to the economy, culture, environment and it also promotes good relations between the countries. World Tourism Organization: UNWTO has predicted that in the year 2020 there will be over 1,600 million travelers worldwide. 400 million peoples will be the Asia-Pacific travelers and among that number will be 200 million international tourists in ASEAN.

Spa business is an integral part of the tourism industry that gets the supports from both the public and private sectors. The year 2013, spa businesses are generating revenue of more than 1,600 million baht (Office of Small and Medium Enterprises Promotion, 2008). During 2007-2011, the revenue from Thai spa grew by an average of 10.12 percent per year (Euromonitor International, 2012). Over 64.47 percent of the revenue was from the spa services in hotels and resorts. In Thailand, there were 5.6 million spa customers. More than 60 percent of them were foreigners and up to 60 percent of all spa customers used the services in hotels and resorts (Department of Trade Negotiations, 2011).

Phuket is known as the city's world-famous tourism destination. Each year, a great number of both Thai and visitors prefer visiting it. The statistics has reflected the number of international tourists who visited Phuket in the year 2013 amounted to 11,339,885 people (Tourism Authority of Thailand, 2013).

Phuket province can earn over 1,000 million baht revenue per year from spa business (Chaikhunrat, 2013) . The spas in the hotels and

resorts are major selling points that support the service in the hotels and resorts to international tourists. However, the spas in hotels and resorts in Phuket province are very famous in both the ASEAN and International level. But in the ASEAN economic community also have significant competitors in the spa businesses of hotel and resort in the countries such as Bali Indonesia, Singapore, and Malaysia. When the geography of tourism is analyzed, it can show that they have similar natural tourist resources. In addition to the collaboration on the ASEAN Spa group of ASEAN economic community development aiming to adopt the same standard.

Spa business grows and expands rapidly and there is also the collaboration in ASEAN Economic Community for ASEAN spa standard development in order to adopt a similar standard (Export-Import Bank of Thailand, 2010). If such standards are used in the future, there will be a good opportunity to increase the confidence in the services provided to international tourists. On the other hand, there will be the increase of serious competition because in general the spa services are not much different. The competition of spas in hotels and resorts within the AEC will become higher and more serious, it is important that entrepreneurs in business hotels and resorts need to know the competitiveness of their services from the views of foreign tourists as service users to develop and to be business leaders further.

Therefore, it is essential that spas operators in hotels and resorts need to know the factors that affect the competitiveness of international tourists in order to be able to plan their strategy, increase the



potentiality and capacity of spa services which include the promoting factors for international tourists to make a decision to use more spa services. This will also generate the revenue for the business and promote other related tourism business and industries to increase the income to the country as well as to promote the sustainable leadership of spa in hotels and resorts of ASEAN or of the region.

### Objectives

To investigate factors related to service competitiveness of international tourists toward the spas in hotels and resorts, Phuket.

#### Operational Definition

Service competitiveness: The ability to achieve spa service value, base on SERVQUAL is attribute approach in five determinants, which are reliability, assurance, tangibles, empathy and responsiveness toward service, personal, products and tools, administration and organization management and place and the environmental in hotels and resorts, Phuket.

Internal factors: The inside factor influences that can impact international tourists were decision to travel and spa service selection in hotels or resorts, Phuket.

External factors: The outside factor influences that can impact international tourists were using spa service in hotels or resorts, Phuket.

International tourists: the international tourists who had an overnight stay in Phuket for more than 24 hours.

### Hypothesis (non directional)

$H_0$  Different demographic factors affect no difference to the relationship and the service competitiveness of international tourists toward the spas in hotels and resorts, Phuket.

$H_1$  Similar demographic factors affect differently the relationship and the service competitiveness of international tourists toward the spas in hotels and resorts, Phuket.

### Materials and Methods

This study used quantitative research method which includes the methodology as follow;

Populations: Populations refer to the international tourists who had an overnight stay in Phuket for more than 24 hours. According to the statistics, there are 11,339,885 international tourists.

Sample: Sample refers to the sample of international tourists who had an overnight stay in Phuket for more than 24 hours.

Sampling: Probability sampling in terms of the multi-stage samplings which was a combination of stratified random sampling and simple random sampling. This approach was applied with stratification by district. Phuket has three districts which are Muang, Kathu, and Thalang. Then, the researcher applied simple random sampling, selecting a sample that are all individuals in a defined population and have an equal and independent chance.



Sample size: The Yamane formula (Yamane, 1967) by the error 0.05 was used to calculate for the sample represented from 400 international tourists.

Research tool: The research tool for this study was the questionnaire form. The researcher conducted 400 questionnaires and distributed them to the respondents in 3 districts of Phuket. There are 3 parts in the questionnaires, which were describes as follows; (1) Demography (2) Factors related to decision to travel and spa service selection in hotels and resorts in Phuket (3) Service competitiveness of spas in hotels and resorts in Phuket.

Data Collection: The primary data was in form of questionnaire and the secondary data were from relevant documents, related theories and researches.

Data Analysis: The SPSS for window (version 21) was used to analyze the data from questionnaire. The statistics used for decoding the data included frequencies, percentages, mean, standard deviation, One-Way Anova, Independent sample t-test (2-tailed) and Pearson Correlation. The researcher used different analysis in each part of questionnaire, which were described as follows; For part 1 and part 2, the researcher used frequencies and percentages. For part 3, the researcher used mean, standard deviation, One-Way Anova, Independent sample t-test (2-tailed), and Likert scale. The 5 interval scales were calculated as follows;

$$\begin{aligned} \text{The interval width} &= (\text{Max} - \text{Min}) / n \\ &= (5-1) / 5 \\ &= 0.8 \end{aligned}$$

Therefore, the mean scores were;

4.21-5.00 means very high service competitiveness

3.41-4.20 means high service competitiveness

2.61-3.40 means medium service competitiveness

1.81-2.60 means low service competitiveness

1.00-1.80 means very low service competitiveness

## Results

### (1) Demography

Gender: The major gender of respondents was 268 females (67.00%), and followed by 132 males (33.00%).

Age: The major age of respondents was the age of 30-39 years old (211 or 58.80%), followed by age of 20-29 years old (68 or 17.00%), and under 20 years old (22 or 5.50%).

Marital Status: The major status of respondents was single (215 or 53.80%), followed by married (177 or 44.20%), and divorce (8 or 2.00%).

Education: The major education level of respondents was diploma or equivalent (227 or 56.80%), followed by bachelor's degree (87 or 21.80%), and higher than bachelor's degree (26 or 6.40%).

Occupations: The major occupation of respondents was private company employee (204 or 51.00%), followed by self-employed (68 or 17.00%), and freelance (6 or 1.50%).

Average monthly income: The major average monthly income of respondents was 90,001-



120,000 baht (177 or 44.20%), followed by 60,001-90,000 baht (91 or 22.80%), and over 180,001 baht (6 or 1.50%).

Country of origin: The major country of origin of respondents was China (123 or 30.80%), followed by Russia (94 or 23.50%), and Oceania (1 or 0.20%).

(2) International tourists' views on internal and external factors related to service competitiveness of spas in hotels and resorts in Phuket

Regarding the internal factors related to service competitiveness of spas in hotels and resorts in Phuket, it revealed that owing to the beauty of city, most of the respondents: 252 or 63.00 percent of them decided to travel to Phuket. A distinctive charm of local culture in Phuket was a second important reason why the majority of respondents selected to visit. A total number of them was 245, representing 61.30 percent. A reasonable cost was the reason why respondents chose to visit Phuket at a minimum. A total number of them was 61, representing 15.30 percent respectively.

Since the image of Phuket was a leisure destination, it was found that the majority of international tourists came here for the main objective of recreation; the biggest number was 279 people, representing 69.80 percent. A visit to Phuket for health was a minor objective to which the 156 respondents, representing 39.00 percent agreed. Since the government and private agencies have promoted the market of health care tourism, the major potential operators of Phuket have built up such reputation as Bangkok Phuket Hospital. In terms of wellness

tourism, Phuket has possessed many famous enterprises which have been internationally and regionally recognized, such as the Banyan Tree Spa, Six Senses Resort & Spa, and Amanpuri Resort. A minimum of international tourists: 34 people, representing 8.50 percent travelled to Phuket for the purpose of sport. It was because there were not many sport business owners in Phuket and also the government agencies of Phuket were not potential and ready enough in terms of the stadium to support both national and international sport competition.

Because of the public transport problems in Phuket, the majority of respondents, 157 international tourists, representing 39.20 percent chose to use the transport service from Tour Company. Nevertheless, with the new technology and the ease of access to travel information, the minor samples that included 125 respondents, representing 31.20 percent preferred travelling on their own and a minimal amount of international tourists travelling with local friends and relatives was 37 or 9.30 percent.

Regarding the expense of international tourists in Phuket, it was found that good quality products with reasonable prices made the 145 international tourists, representing 36.20 percent, do shopping the most. As a result, both current Thai and investors have heavily invested in the market share. For example, the establishment of 2 King Power department stores in Phuket, the business expansion of Central group, the increase of the Mall Group investment, and the investment of Chinese entrepreneurs on large shopping centers in Phuket. The minor expense of international tourists in Phuket



was for entertainment, the total number of the respondents was 142, representing 35.50 percent. The least expense of the international tourists was for recreation, the total number of the respondents was 42, representing 10.50 percent.

Phuket has had a great number of spa parlors in Thailand after Bangkok and the province could earn big revenue from this business. Most hotels and resorts provided spa services some of which met the public health standards and others did not request for a standard check. It found that the biggest number of international tourists: 232, representing 58.00 percent used to receive the spa services. Since the main purpose of spa services was to promote holistic health, it was found that the most number of samples that are 313 international tourists, representing 78.20 percent used the spa service because of their health care needs. The 231 international tourists, representing 57.80 percent are those who used the spa service because of their own previous experiences, particularly the European international tourists who came and repeated their visits and stay in Phuket. The 21 international tourists, representing 5.30 percent was the smallest number of those who came to use the spa services because of their friends or acquaintances' recommendation respectively.

A sample of 168 people, representing 42.00 percent had never used the spa service in the hotels and resorts of Phuket. It was found that the price of spa service was the main reason why the biggest number of international tourists: 197, representing 49.20 percent did not want to have a spa service in

hotels and resorts in Phuket because other forms of spa service cost cheaper. As a result, Day Spa became more interesting for the international tourists to choose. Additionally, Day Spa offers more interesting commissions to the travel agents. Therefore, if the international tourists travelled through a travel agency, Day spa services would be included in the tour program. The minor reason was the unawareness of international tourists: 133 people, representing 33.20 percent. Most of the spas in hotels and resorts in Phuket aimed to provide the facility according to the trends rather than to be intentionally profitable. Moreover many resorts and hotels do not provide signs to indicate the location of spa. And the reason why the least number of samples: 33 people, representing 8.20 percent, did not choose the spa service in resort or hotel owing to the acquaintances' word of mouth was that the international tourists mainly travelled with a tour company by which the spa had already included in the tour program.

According to a survey on the average cost of international tourists in Phuket (Tourism Authority of Thailand, 2013), it was found that their average cost was about 6126.16 baht. Thus this was to support the reason why the biggest number of international tourists: 207, representing 51.80 percent, who used to experience spa in hotels and resorts in Phuket had the cost of service between 1001-3000 baht. 256 international tourists, representing 64.00 percent were interested in Thai traditional massage the most because of its reputation and most of the international tourists: 154 people, representing 38.50 percent preferred a 1 hour spa.



Regarding the external factors related to service competitiveness of spas in hotels and resorts in Phuket, it revealed that Thai style services, Thai herbs, and Thai massage were the main reasons of external factors which made most international tourists: 319 people, representing 79.80 percent, be interested in Thai culture and chose the spa in hotels and resorts in Phuket.

( 3 ) Service competitiveness of spas in hotels or resorts in Phuket

The overall ideas of the samples on the quality of spa services that affected the service competitiveness of the spas in hotels and resorts in Phuket remained at a high level ( $\bar{X} = 3.54$ ). Regarding the location and environment, the opinion was at a high level ( $\bar{X} = 3.57$ ). For the management and organization, the opinion was at a high level ( $\bar{X} = 3.55$ ). In terms of the personnel, related products and equipment, the opinion was at a high level ( $\bar{X} = 3.53$ ), and that of the services was also at a high level ( $\bar{X} = 3.51$ ), respectively. Owing to the beauty of Phuket's international tourist attractions, the investment of hotels and resorts in Phuket needed the location with a beautiful landscape and scenery. Likewise, the choice of a spa atmosphere in the hotel and resort to respond the relaxation which was the primary purpose of the service was the major reason why the location and environment of the spa in most hotels and resorts was generally situated in the most tranquil atmosphere with spectacular views. Undoubtedly, the international tourists always preferred staying in a hotel with great atmosphere and impressive services at the same time.

In terms of the idea level of the samples on spa service quality that affected the competitiveness, it indicated that the samples had confidence and trust in service at a high level ( $\bar{X} = 3.62$ ) and that of the location and environment ( $\bar{X} = 3.62$ ) respectively. The samples' opinion on the service understanding and customer recognition of the spa personnel remained at a high level ( $\bar{X} = 3.69$ ), and that of the products, tools and equipment ( $\bar{X} = 3.62$ ), respectively. In addition, the spa built the highest confidence and trust in the organizational management ( $\bar{X} = 3.66$ ) due to the quality assurance of spa operation in hotels and resorts according to the Standard Operating Procedure (SOP) of a hotel and the SOP of the Ministry of Health covering all five areas: services, personnel, products and tools, administration and organizational management, place and environmental. Besides, there was a randomized evaluation; some hotels and resorts had the quality control manager who would randomly check two times a week or once a month without prior notice. The evaluation was also repeated every two years by the Health Department officials.

According to the study and the Non Directional Hypothesis test that accept  $H_0$ , it could be explained that although demographic factors were different in gender, age, marital status, education, occupation, average income and country of origin, international tourists equally required the same good quality of services regarding personnel, products, tools and equipment, organizational management, place and environment at the statistical significance levels 0.05.



## Discussion

In terms of services, places and environment, the capacity from confidence and trust remained at a high level. It was consistent with the research findings on "Analysis of Marketing Strategy of Spa Operators in Muang District, Chiangmai Province" which discovered that the service quality had directly influenced on customers' satisfaction (Wandee, 2008) and the research on "The Potential for Spa Tourism in Phuket, Phang Nga, and Krabi" which found that the spa products and services were good value added elements of the products (Prompitak et al., 2005). The service users were mostly Chinese and Russian international tourists, especially from March to November most international tourists were Chinese. Additionally, most of the international tourists used to experience the spa before (return guest). Therefore, if the market analysis focused only on the target group who had a stay during the international tourist season involved, it could help create an appropriate strategy to increase the service competitiveness of spa business in the resorts and hotels.

Regarding the personnel, products, tools and equipment, a highest score of service quality was on the understanding and recognizing the customers and it was in accordance with the research finding on "Standardization of Spas in Phuket, Panga, and Krabi" (Acharyabuttra et al., 2004) which indicated that the satisfaction of the Andaman spa service users was mainly from service provider, cleanness, skillfulness, specialization, expertise, and appropriate attire, as well as a study result on "The Marketing

Mix of Spa Business that the Customers Require" (Sakkulpitak, 2007) which revealed that most of the samples focused on or demand all aspects of marketing mix factors at a high level, particularly the products and services which would be the most important because the spa staff in the hotels and resorts were taken a good care and controlled by the quality standards of hotels and resorts, the standards of Public Health or other standards related. Therefore, the spa service was worth using. In addition, the spa products in hotels and resorts were of high quality because they were made from herbs and natural materials strictly controlled not only by the hotels and resorts themselves but also by the standards of Public Health and the Cosmetic Act of 1992. Since the majority of spa products were cosmetics, it was problematic and difficult to create tools and equipment for production and also many spas were developing their brands because branding was essential for the customers to recognize their products.

In terms of the organizational management, confidence and trust gained the highest score of service quality. This was consistent with the research finding of "The Impact of Knowledge and Ability of the Organization on the Performance of Small and Medium-sized Enterprises" which found that in the competitive conditions, the current business operators with better knowledge and higher ability were able to find out the customers' needs and able to develop the marketing tools to meet the demand. Furthermore, they provided training to strengthen their personnel' expertise and quality in every aspect for the better





performance of the organization (Yothasuparb, 2005). During the past 10 years, the spas in hotels and resorts in Phuket still have used traditional management of the organization, and there was no business operators who intended to clearly change or develop their organizations concretely. Therefore, the sales department of hotels and resorts should help support the sale of the spa operator. It should also develop a management system of the organization to create additional potential such as information systems or software for spa management.

Moreover, the service quality assessment is the comparison between the received services compared with the internal expectation. In some cases, if the customer has never had experiences with the services before, they would have searched the information by asking from those who have experienced or get more information from other sources, such as advertising or sales assistants and brought up as a standard to compare with after services. The study result is in accord with the study of Berry, Parasuraman and Zeithaml, (1996) which was found that the service quality and willingness to suggest a business to others has a positive relationship. There is a positive connection from the service quality to words of mouth, royalty, increasing quantity demanded, willing to pay higher prices and focusing on the market communications as a direct influence on communication in marketing relationship that indicates the reliability. The results of the campaign can accelerate the volume of purchasing of goods and services by good image and

it causes the attitude towards the perception in terms of quality as a result. (Keller, 1993)

Quality of service is the most important thing that consumers demand and look for products and services. If the service providers are able to analyze consumers carefully in order to prepare an operation strategy model, preparing resources for procurement qualitative materials, analyzing the needs of service users to offer products and services to meet the requirements, being able to plan, building suitable capacity at maximum efficiency for organization, doing assessment service to analyze and to improve the quality in upgrading the spas service quality in Phuket province to further compete in this business.

### **Conclusion**

The majority of 268 respondents were mostly female tourists, representing 67.00 percent. 211 respondents were 30-39 years old, representing 58.80 percent. 215 respondents were single, representing 53.80 percent. 227 respondents got diplomas or equivalent, representing 56.80 percent. 204 respondents were mostly the company employees, representing 51.00 percent. 177 respondents had the income per month between 90001-120000 baht, representing 44.20 percent. And 123 respondents were mostly Chinese, representing 30.80 percent.

Regarding the factors affecting the decisions of international tourists traveling to Phuket, it was found that 252 of respondents were mostly choose to visit Phuket because of the beauty of tourist



attractions, representing 63.00 percent. 279 international tourists mainly aimed to stay in Phuket for relaxation, representing 69.80 percent. 157 of them mostly used the services of travel agencies, representing 39.20 percent. And 145 international tourists spent the most on shopping, representing 36.20 percent.

The majority of 232 international tourists who answered the questionnaires had been in the spa, representing 58.00 percent. The reason why they chose the spa was the demand for health care with the most number that is 313 respondents, representing 78.20 percent. The minor reason is from the previous experiences with the number of respondents 231, representing 57.80 percent and the minimum number of 21 respondents, representing 5.30 percent used the spa service according to the recommendations of their friends or acquaintances, respectively.

Among the 232 spa users in the hotels and resorts in Phuket, representing 58.00 percent, 207 of them representing 51.80 percent paid most for the spa service between 1,001-3,000 baht. 256 respondents, representing 64.00 percent mostly used Thai massage service. 154 international tourists, representing 38.50 percent mostly used 1 hour spa service. However, 168 respondents; representing 42.00 percent had never used the spa service. The spa service price was the main reason for 197 respondents, representing 49.20 percent. 319 international tourists, representing 79.80 percent agreed most to the idea that Thai culture played an important role as the external factor persuading them to use the spa service.

The study found that the sample's

opinions were all about the service quality that included the concreteness of the service, confidence and trust, responding customer's needs, ensuring customers, understanding and recognizing customers. As a result, the service competitiveness in spa business of resorts and hotels in Phuket province reached a high level in all aspects including environment, organizational management, personnel, products, tools and equipment, and services respectively. Besides, the different demographic factors will affect the relationship and the service competitiveness of international tourists toward the spa in hotels and resorts, Phuket province with no difference at the significance level of 0.05.

#### **Recommendation**

All stakeholders should cooperate in planning and making marketing strategies suitable for each customer group in order to retain existing customers and add new customers. The business operators should plan to serve the needs of customers staying in their hotels and resorts. Additionally, the study of factors affecting the capacity according to the situation and needs of international tourists should be conducted constantly.

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