

## Developing Modeling for Effective Management of Outbound Tour Companies in Thailand

Rotchana Limsakunwanich\* and Dr.Domingo Salgado\*\*

### Abstract

This study is based on the fact that there are ineffective and inefficiency management of the business of tours that provides travelers goes to other countries. This research is to study factors affecting the effective management to guide business development of Thailand tourism tourist travel to a foreign country. Research question is formulated to search what are the factors that make the management of outbound tour companies are managed effectively and efficiency and that is how it should be? There were 4 hypotheses of the research. 1) Foreign tour companies in Thailand with a number of employees at the Company's registered capital and the size of the company, resulting in a different of overall results of management services. 2) Implementing of marketing mix concept of the agency result in different of overall results of management services. 3) Internal factors of the tour agency result in different of overall results of management services and 4) External factors of the tour result in different of overall results of management services. This research is mix research of a qualitative research and researcher use quantitative methods with the distribution of questionnaires is a tool to check the findings of quantitative research and qualitative research by a step. Qualitative research was conducted by in depth interviews. Research findings were found that overall implementation of marketing mix is high and efficient. The study found that overall operation performance is efficient. It is concluded that marketing mix has less effect management of Thailand outbound tourism. It can be concluded that internal factors have less effect management of Thailand outbound tourism. It can be concluded that external factors have less effect management of Thailand outbound tourism. The model was formulated composing of 5 major factors. 1) Human resources of the company. 2) Management in this study means owner or manager of the company because. 3) Internal factors. 4) External factors 5) Marketing mixes. In actual there are 8 factors composing marketing mix. But in this study it found only 3 factors, people, place and physical lead to effectiveness and efficiency of management of outbound tourism business.

**Keyword:** Developing Modeling, Management, Outbound Tour Companies, Thailand

### Introduction

#### Background and significance

Year 2008 the Thailand travel abroad amounting to 120,000 billion Baht grew by 12.6% and is steadily expanding since the year 2009, with the support of several important factors. The Thai Baht appreciation in cooperation of business partners stimulated tourism market promotion activities abroad and the expansion of services of low cost airlines. However of the fierce competition in the market increased foreign travel measures and strict immigration of many countries affect all those tour operators abroad of Thailand and related businesses. Thailand as well as tourists who wish to travels abroad. It is expected that in 2008 there will be Thailand travel abroad, about 4.1 million people, up 10.2 percentage points from

---

\* School of the Business and Managerial Science, University of Atlanta; Email: LRotchana@yahoo.co.th

\*\* Dean, Academic Research, University of Atlanta

the year 2007, as a key factor is the baht appreciating steadily since the year 2006 onwards motivation to travel abroad more.

To extend the low-cost airline services to various countries in Asia to support the international tour that continues to grow was essential to support business trips abroad. To facilitate international travel affordable for tourists. This is one factor that makes a trip to a foreign country, especially tourist destinations in the country somewhere, Phuket, Krabi and Samui has high costs close to traveling abroad range including China, Macau. Vietnam and the competitive situation in the market are likely to travel abroad even more intense. From tour operators in many markets experiencing sluggish due to the crisis political as the riots in the country and turned to tourism markets abroad instead.

Make a foreign tour operators marketing strategy by organizing promotional campaigns to stimulate the market. And tours of the new routes, add a variety of tourist attractions, including transport by land to facilitate between Thailand and neighboring communities Asian including China allows the tour operator to develop a package drive increase The cost was more than happy with the package. Making it possible to expand the market with buying power with a more spacious.

The growth of niche markets such as travel to reward big business in direct sales and business insurance market is large. The growth of equity markets and the government the Annual General Meeting or a trip and in 2007, after the government took over management of the country. Multi-agency collaboration with business partners such as airlines banks and major credit card camp. Marketing campaign stimulated foreign travel. Including the expansion of sales channels over the Internet more and more tours to reduce the cost of sales and delivery documents to tourists. And support behavior turned popular package tour booking online. This is more convenient and faster to tourists, making it accessible to broader audiences promoting tourism to the national income of the countries in Asia.

The tourists Thailand is one of the most important goals such as the promotion of Macau with Thai Airways, Air Asia campaign "Experience Macau", Singapore and the Jet Star airline event promotion in Singapore during the holidays "Uniquely Singapore Weekend", Hong Kong jockey "Hong Kong Living Culture" promotional tour throughout 2007 while Malaysia 50 organized activities throughout the year to celebrate independence. Of forecasts spending on various aspects of the Thailand during the residence travel in foreign countries in 2008 will be approximately 125,000 million, up 12.6 percent from 2007 spending of foreign tourists. Thailand is mostly accounted for approximately 32.8 percent to the value of 41,000 million baht, followed by 30.4 percent, worth about 38,000 million was spent to purchase items such as clothing.

Tourist souvenir shops bags and shoes Perfumes and cosmetics, electronics, etc. There is also the cost of food and drinks in percent 19.2, representing approximately 24,000 million baht tours and transportation travel abroad representing 10.4 percent or approximately 13,000 million expenses for the entertainment portion of 4.8 percent or approximately 6,000 million when considering the cost to purchase foreign tourists in Thailand totaled approximately 38,000 million found most nearly 80 percent, representing approximately 30,000 million spent in the east Asian countries . Are spending to buy Malaysia's number one, followed by China, Japan, Singapore and Hong Kong, respectively, to pay for purchases of the Thailand among the approximately 24,300 million is a minor 13 percent, or approximately 5,000 million for expenses.

Group of European countries are spending to buy the British number one , followed by Germany and France in order to spend to buy products of the Thailand among the approximately 3,100 million in the country. Tourist Thailand leisure area that is Malaysia , followed by China, Singapore, Japan , Hong Kong, Taiwan, South Korea , respectively of the Thailand Travel to these countries together accounted for about 80 percent of the Thailand all

travel to country Japan and South Korea. Thailand is a country with a tourist trip to the increase in the rate of approximately 15 percent as a result of the cooperation to promote tourism in the international market, the government and the private sector too seriously and continuously. Travel to Thailand with a key target market. Thailand because tourists spend to buy one of the high (Thailand Kasikorn Research Center Co. Ltd., 2008).

### **Significance of the study**

This study aims to create a self-management. International agencies in order to provide all parties involved can be used to achieve this are as follows.

1. Aims to give the idea of travel behavior, travel demand model. Attention and attitude of tourists who travel to other countries.
2. In order to know what the attitude of government agencies and tour operators regarding to tour abroad.
3. In order to realize the potential of tourists traveling to visit foreign countries.
4. To guide the development of effective management of the business of tours that provide travelers go to other countries and is useful for those who have been involved in this business for all parties.
5. Could be used to modify tourism management by the tour agency to be effective abroad.
6. As a knowledge base for the field as a guide to further research.

### **Problem statement**

There are ineffective and inefficiency management of the business of tours that provide travelers goes to other countries and is useful for those who have been involved in this business for all parties?

### **Research question**

What are the factors that make the management of outbound tour companies are managed effectively and that is how it should be?

### **The purpose of the research**

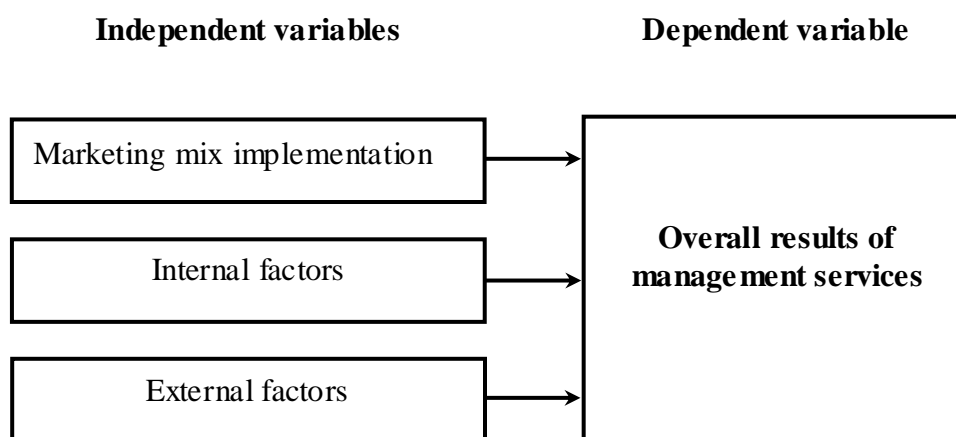
This research is to study factors affecting the effective management to guide business development of Thailand tourism tourist travel to a foreign country.

### **Scope of research**

The duration of the study data and conducted research start since last year Era 2011-2014.

### **Hypotheses of the research**

1. Foreign tour companies in Thailand with a number of employees at the Company's registered capital and the size of the company, resulting in a different of overall results of management services.
2. Implementing of marketing mix concept of the agency result in different of overall results of management services.
3. Internal factors of the tour agency result in different of overall results of management services.
4. External factors of the tour result in different of overall results of management services.

**Conceptual frame work used in the research****Definition**

Model refers to the proposed program and facility tours for Thai tourists achieve appropriate and meets the needs of most.

Development means creating new models or methods for the purpose of research and development, which in this study refers to the development of international tour companies in Thailand.

Tour operator A person licensed by the Tourism Business Tourism Business and Guide Act 2008 and Regulations.

Guide means to guide tourists to places and to educate tourists about the place or person receiving compensation.

Tourism Business means the business is about managing or providing services. Facilitation About travel accommodations sightseeing facilities for all types of food related photos. And are guides to tourists.

Tourist visitors means Thai tourists to enjoy the convenience of the business or agency fee, and within the meaning of Section 4 of the Tourism Authority of Thailand 2008 is a trip of a local resident by in their local area to another temporary voluntary and legitimate purposes and not for professional or revenue.

Tourism products means tourism is regarded as commodity-type services, which consist of both tangible products such as business subsidiaries in the travel industry combinations such as hotels, restaurants, souvenir shops etc. The product is an ideal example comfort, safety, etc., as well as the services that meet the needs and preferences of the tourists.

**Research Methodology**

This research study was conducted by Mixed Methodology as a process of qualitative research (Qualitative Research) to collect any information to meet the objectives of this research project, the results of qualitative research to focus on their needs important to find the facts to the guidelines to the development of tourism industry in India and abroad on such a model. Researchers will conduct quantitative methods (Quantitative Research) to verify (Verification) to those associated with the development model that has been developed. For the conduct of research in analyzing the details and steps as follow

## Qualitative Research

### Who provides important information (Key Informants)

The information is a major contributor in-depth interviews (In-Depth Interview) Dialogue and group (Focus Group).

### Tools used for data collection

This qualitative research use in-depth interviews (In-depth Interviews) as a tool for data collection. By way of framing questions for the interview (Main Questions) derive from the theoretical concepts and related research. The problem of the study in an interview that covered as needed. The steps to create the tool are

1. A Study of theories, concepts and related research.
2. Define the operational concept for the development of structured interview coverage by the definition.
3. Bring interviews that have been developed for the approval of an advisor.
4. Bring interviews that have been approved by the faculty advisor to the experts for review.
5. Verify the accuracy of the content (Content Validity).
6. Interview through quality inspection accuracy in terms of content. The layout used in the interviews with key informants in the research.

Data were collected by conducting in-depth unstructured interviews. The interview can be submitted freely under a friendly conversation with the main question. The issues covered by the framework.

### Data Collection

To collect this information this research will provide important information to the individual in-depth interviews. With the permission of the official and the date, time and place for the interview and the interview protocol as described. As a guide, the following issues need to be studied. "Facts", "comment" and "suggestions" of various equipment s used in conjunction with the notes that were prepared. The research was conducted to collect data manually. For detailed information facts opinions and suggestions of the important information.

## The quantitative research

After analyzing the synthesis of quantitative data (Quantitative Research) uses quantitative methods. (Quantitative Research) conducted a test comment. And by the importance of the development of outbound tourism in the country, the details of the study are as follows.

### Population and sample

Populations are outbound tourism company who used to run outbound tourism business at least one year. Those populations currently are about 2,999 companies.

Sample size is calculated by means of Taro Yamane Statistics (1970: 153) as follows.

$$\text{Sample size} = \frac{N}{1 + Ne^2}$$

N is the size of the population which in this case is 2000.  
 e represents the deviation of the sample (0.05).

$$= \frac{2999}{1 + 2999(0.05)^2}$$

$$= 353$$

The number of samples used to collect data in this study, it is 353 Sampling method is random sampling.

### **Tools used in this study**

This study in addition to qualitative research, researcher using quantitative methods by using quantitative methods with questionnaires as an instrument to verify the findings of qualitative research (Qualitative Research) by a process of creating a query research. Need to collect information in any form. The data will be analyzed to find the answer. The way to collect the data will be used as a research tool which collects (Research Instrument) for this research is quantitative research. Questionnaire scale (Rating Scale Questionnaire), which is used to test the hypotheses.

1. Apply findings to the development and synthesis of qualitative research (Qualitative Research) were analyzed by comparing the academic and related research to use as a guide in determining the questions in the questionnaire deals.

2. Educational purposes. The conceptual framework of the study is to define a variable to a query (Questionnaires).

3. Construct Questionnaires (Questionnaires) for the variables defined in this study.

4. Query (Questionnaires) is brought for consulting advisors to review the issues that need to be tested.

5. Query (Questionnaires) is developed to investigate the precision-oriented content (Content Validity) of a number of 5 persons.

6. Query (Questionnaires) examines the content validity of a test (Try-out) for the confidence. (Reliability) of the population was not a random sample of 30 patients was undertaken to determine the reliability. The content validity using Cronbach's alpha (Cronbach's Alpha coefficient) is equal to the reliability.

7. A questionnaire is completed and passed the quality check the content, accuracy and reliability to take action the sample set.

### **Method of data collection.**

Data collection will be conducted by the researcher. The researcher seeks to obtain a Certificate of Graduate Studies by the University of Atlanta, along with a copy of the questionnaire delivered to the sample. The rescue team has been training very well trained who will send a query in advance. Then go back to the authentication of each query to find intact. And perform the following steps. In some cases the use of questionnaires by interviews to survey the opinions of the people. It will then record the answers in the code to process the data using a software program.

### **Statistical analysis methods and assumptions used.**

After the questionnaires are returned to the researcher researchers will examine the completeness of the data. And record code part 2 questionnaire especially when the scale are defined as a score of level 5.

The statistics used were mean, standard deviation, t-test and analysis of ANOVA (One-way ANOVA) and comparison pairs using Scheffe for the query to a scale a. defined threshold, the mean (Mean).

Questionnaire to confirm the hypotheses and answer the research question, it is necessary to select appropriate statistics and data analysis which are as follows (Belle's Investment Commission, 2007: 28-29).

1. Statistics used in research for the query/test.

2. Process information.

3. Analysis.

The statistics used in research for the query/test.

1. Descriptive statistics (Descriptive Statistics) This section will analyze the information about the status of the respondents and the information about the development model for outbound tourism activities in the country were analyzed using frequency and percentage of respondents.

2. Inferential statistics (Inferential Statistics) data analysis are as follows.

2.1 Statistics for the average ( $\bar{x}$ ) and standard deviation (SD) in terms of priority. The data obtained from the questionnaire.

2.2 Statistics mean ( $\bar{x}$ ), standard deviation (SD) in terms of priorities and the average of the comparison sample. Arithmetic (Arithmetic Mean.) is used to analyze the data to provide an overview for the comments on the total individual question in each component of the model to test the hypothesis.

Inferential statistical analysis (Inferential Statistics) as a statistical analysis that is not computation of real numbers. It is estimation according to the estimated probability. This is used to test the hypothesis that the researcher set up temporarily. The statistics used in this analysis consisted of t (t-test) for the comparison group average for two independent samples per group (Independent samples) to test whether the mean of the sample two groups were compared. Are significantly different or not. The researcher determined the statistical significance at the .05 level for use in testing and research.)

#### **Data analysis.**

The data were divided into five objectives and research questions and research hypotheses.

1. The status of the respondents.
2. Marketing Mix performance of Thailand outbound tourism.
3. Operation performance of Thailand outbound tourism.
4. Internal factors affecting management of Thailand outbound tourism.
5. External factors affecting management of Thailand outbound tourism.
6. To answer the research questions and research hypotheses.

## **Results and Discussion**

### **Findings**

1. The study found that overall implementation of marketing mix is high and efficient.
2. The study found that overall operation performance is efficient.
3. It is concluded that marketing mix has less effect management of Thailand outbound tourism.
4. It can be concluded that internal factors have less effect management of Thailand outbound tourism.
5. It can be concluded that external factors have less effect management of Thailand outbound tourism.

### **Hypotheses of the research**

1. Outbound tour companies in Thailand with a number of employees at the Company's capital and the size of the company, resulting in a different of overall results of management services

1.1 There is no significant difference between numbers of employees resulting the overall performance of operating services.

1.2 There is no significant difference between sizes of capital for operation resulting the overall performance of operating services.

1.3 There is no significant difference between operation duration resulting the overall performance of operating services

1.4 There is no significant difference between annual incomes resulting the overall performance of operating services.

2. Implementing of marketing mix concept of the agency result in different of overall results of management services.

2.1 There is no significant difference between products of marketing mix resulting the overall performance of operating services.

2.2 There is no significant difference between prices of marketing mix resulting the overall performance of operating services.

2.3 There is significant difference between places of marketing mix resulting the overall performance of operating services.

2.4 There is no significant difference between promotions of marketing mix resulting the overall performance of operating services.

2.5 There is significant difference between people of marketing mix resulting the overall performance of operating services.

2.6 There is significant difference between physical of marketing mix resulting the overall performance of operating services.

2.7 There is no significant difference between processes of marketing mix resulting the overall performance of operating services.

3. Internal factors of the tour agency result in different of overall results of management services.

It was found that there is significant difference between internal factors resulting the overall, performance of operating services.

4. External factors of the tour result in different of overall results of management services.

It was found that there is no significant difference between external factors resulting the overall performance of operating services.

### Factors affecting performance operation

To study the factors affecting performance operation in the aspect of marketing mix by analyzing Regression Analysis to select factors or independent variables by Stepwise Regression significant level of 0.05 we found the following equation.

$$\hat{Y} = 0.955 - 0.108\text{Product} - 0.079\text{Price} + 0.241\text{Place} + 0.085\text{Promotion} + 0.402\text{People} + 0.060\text{Physical} + 0.175\text{Process}$$

(R-square = .308 F-test 3.567 P value .003)

If we delete product and price factor we found the following equation.

$$\hat{Y} = 0.603 + 0.241\text{Place} + 0.071\text{Promotion} + 0.370\text{People} + 0.037\text{Physical} + 0.155\text{Process}$$

(R-square = .301 F-test 4.992 P value .001)

The above 5 factors of marketing mix can explain the change of operation performance 30.1%. There are other factors explaining the change about 70%.

### Qualitative Analysis

Questionnaire distributed to sample has one open question regarding suggestion to manage and administer out bound tourism business in Thailand. Some respondents have reply which can be summarized as follows.

1. Tourists are price conscious as the first priority leading to high competition. Company must develop personnel and study their competitors.

2. Staffs must have knowledge and traveling experiences to participate selling promotion.

3. Key point is the tour manager in field.

4. Cooperation from every sector needed to promote tourism business.

5. Standard rules and regulation servicing to tourists should be set out and be implemented by every service providers.



6. Should have a plan to counter external factors such as political crisis natural environments and business crisis.

7. Promote tourists to buy tour from company having license.

Researcher has conducted in-depth interview a random sample of 35 respondents. All respondents have commented the factor influencing outbound tourism business in many aspects as the research has elaborated in this section.

Service is an important factor to improve performance in service. Management of foreign travel is essential to increase the amount of tourists. On the other a number of factors in order to optimize operations. It will display all aspects of making a successful performance goals and policies of the company.

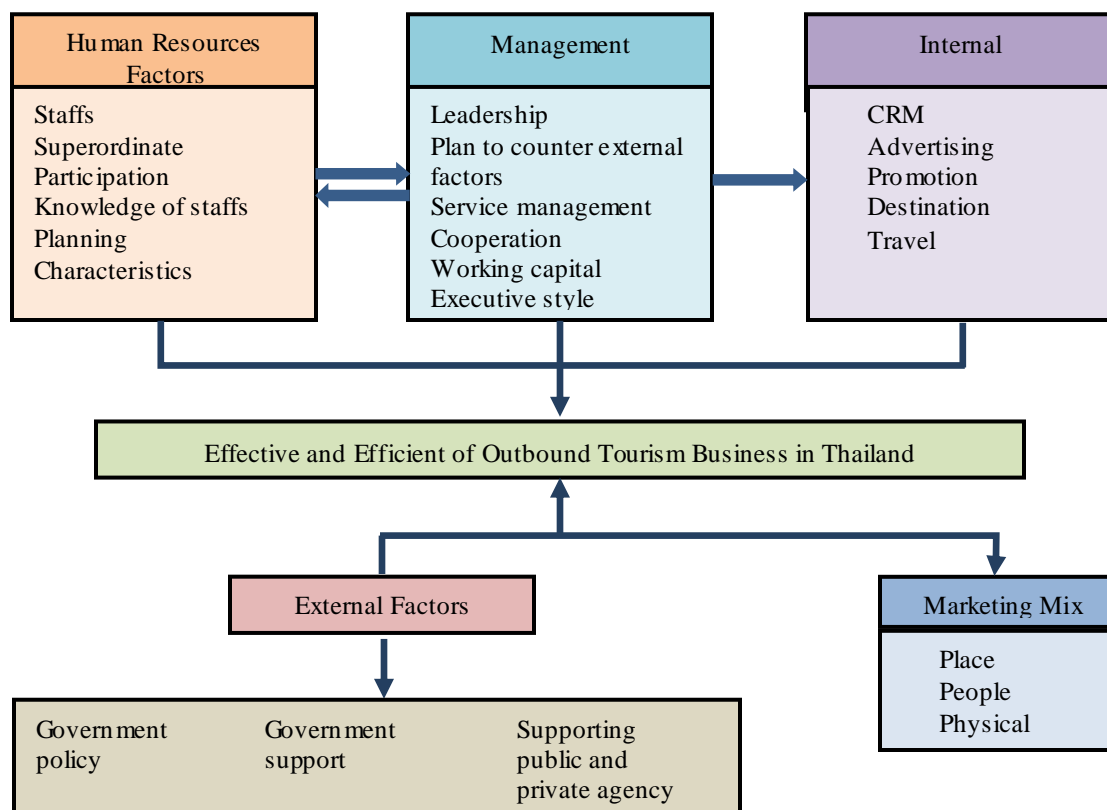
Factors that help promote tourism and enhance the number of customers to visit that country. The way the association's or organization's promotional tour of the country to spend promoting through TV tour to be in line and into a period of 2 weeks-1 month the audience to absorb and create stream to make the audience feel like their country.

Factors for efficient management of foreign tourism is a property. If a property has to hold the title. It will help improve the effectiveness of management can be improved. Including personnel in the organization also help in the optimization as well. Because people in the organization need to coordinate with customers directly.

People want to promote or recommend to clients. If the speech and the good quality it makes organizations evolve. Which increases Effective in the management of foreign tourism.

## Conclusion

All above the model of effective and efficient management of outbound tourism business in Thailand can be formulated below



## Limitations

The complete sample of 353 and the overall response rate of only 15.13% limit the generalizations that can be made from this study. Furthermore only 35 respondents are responded in in-depth interview represent only 10% of sample. The relative low response rate may be due to lack of interest in assessing the success factors of running outbound tourism business in Thailand. And it is possible that period of interview was in high season of outbound tour. Also, it should be appreciate that high response rate are more difficult to obtain in Thailand by mainly the reason of no spare time to answer the long questionnaire of this study and most owner or business men/women do not care how good the running of their business. While the research findings are specific and practically useful for the subject business, similar research would be necessary to identify other success factors relevant to other business.

## Further research opportunities

These countrywide survey research findings provide some practical answers regarding factors influencing management of outbound tourism business in Thailand in term of effectiveness and efficiency. In the quantitative approach, effective measurement could be improved to cover more appropriate variables and measures for benchmarking.

## References

- Choaprasert, C. 2006. **Factors influencing the behavioral decisions Register Centre**. Bangkok : Research Library of the National Research Council of Thailand (NRCT).
- Jitongardpukdee, S. 2005. **Behavior of the Tour customer service in the county**. Bangkok: Mahidol University.
- Kasikorn Research Center Co., Ltd. 2008. **The current tour outside force: the net income available and slow down**. retrieved 8 November 2013 from [www.kasikornresearch.com](http://www.kasikornresearch.com).
- \_\_\_\_\_. 2010. **Tourism (2010) Thailand**. retrieved 8 November 2013 from [www.kasikornresearch.com](http://www.kasikornresearch.com).
- \_\_\_\_\_. 2010. **Year of the '51 tour Thailand Off outflows 1.25 billion baht. 12.6%**. retrieved 8 November 2013 from [www.kasikornresearch.com](http://www.kasikornresearch.com).
- Kijlerdpiroj, V. 2004. **Business Marketing Services**. Bangkok: Chulalongkorn University.
- Rojanapraparpan, C. 2002. **Factors influencing the decision to travel to another country**. Thesis Master Ramkhamhaeng University, Ramkhamhaeng University.
- Yamane, T. 1973. **Statistics: An Introductory Analysis**. 3<sup>rd</sup> ed. New York: Harper and Row.