



**BUSINESS PLAN FOR BUDGET PET-FRIENDLY  
HOTEL**

**BY**

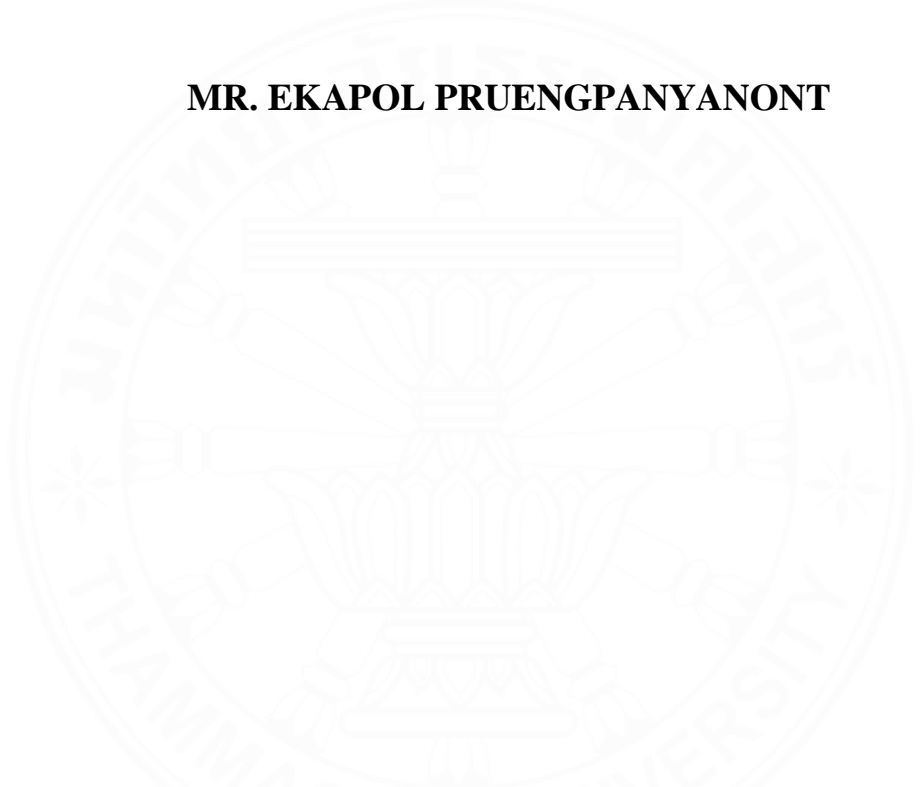
**MR. EKAPOL PRUENGPANYANONT**

**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE  
OF MASTER OF BUSINESS ADMINISTRATION PROGRAM IN  
GLOBAL BUSINESS MANAGEMENT  
(INTERNATIONAL PROGRAM)  
FACULTY OF COMMERCE AND ACCOUNTANCY  
THAMMASAT UNIVERSITY  
ACADEMIC YEAR 2022  
COPYRIGHT OF THAMMASAT UNIVERSITY**

**BUSINESS PLAN FOR BUDGET PET-FRIENDLY  
HOTEL**

**BY**

**MR. EKAPOL PRUENGPANYANONT**



**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE  
OF MASTER OF BUSINESS ADMINISTRATION PROGRAM IN  
GLOBAL BUSINESS MANAGEMENT  
(INTERNATIONAL PROGRAM)  
FACULTY OF COMMERCE AND ACCOUNTANCY  
THAMMASAT UNIVERSITY  
ACADEMIC YEAR 2022  
COPYRIGHT OF THAMMASAT UNIVERSITY**

THAMMASAT UNIVERSITY  
FACULTY OF COMMERCE AND ACCOUNTANCY

INDEPENDENT STUDY

BY

MR. EKAPOL PRUENGPANYANONT

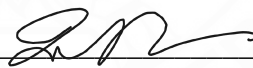
ENTITLED

BUSINESS PLAN FOR BUDGET PET-FRIENDLY HOTEL

was approved as partial fulfillment of the requirements for  
the degree of Master of Business Administration Program in Global Business  
Management (International Program)

on December 20, 2022

Chairman



(Associate Professor Mathupayas Thongmak, Ph.D.)

Member and Advisor



(Associate Professor Surat Teerakapibal, Ph.D.)

Dean



(Associate Professor Somchai Supattarakul, Ph.D.)

Independent Study Title	BUSINESS PLAN FOR BUDGET PET FRIENDLY HOTEL
Author	Mr. Ekapol Pruengpanyanont
Degree	Master Of Business Administration in Global Business Management (International Program)
Major Field/Faculty/University	Faculty of Commerce and Accountancy Thammasat University
Independent Study Advisor	Assoc.Prof.Dr.Surat Teerakapibal
Academic Year	2022

## ABSTRACT

COVID-19 pandemic had affected tourism industry worldwide. International travel to Thailand plunged due to the pandemic and Thai economic had been negatively affected because Thailand had been heavily relying on the spending of tourists as the main revenue of the nation. Many people lost their job, home, family during the pandemic and it was well proven that Thailand cannot only rely on tourists. Many hotel operators have failed and went out of business during the pandemic, but some shifted their focus to domestic travelers and survived. There are still many opportunities with domestic travelers but there will need to be a proper promotion and offer good travel experience. This will not only contribute to the survival of the industry, but it could also lead to attracting more international visitors. Based on what we have seen today, it is evident that domestic leisure travel flows are one of the first to normalize. As the consumer behavior shifted, other lodging options will see an increase in demand.

Even though COVID-19 pandemic had negatively affected many industry worldwide but there is one industry that continue to rise and continue to generate good revenue which is the pet industry. The increase numbers of singles, LGBTQ, and aging society are the main factors that drive the pet industry to grow continuously. The market showed an average annual growth rate of 10% since 2017 as pet parenting continue to rise. Additionally, it was found that numbers of pet owners

and pet population are also growing with the trend of pet parenting and aging society. This lead to the growing numbers in pet related businesses.

Budget hotels segment are found to be on the rise as there are now a few large hotel operators investing in this segment as budget hotel required lower investment but providing better margin when comparing with luxury hotels.

Pet parents would treat their pets as it was their child and will most likely take their pets on either business trip or holidays with them where possible. The rising trend of LGBTQ, single, childless couples, and LGBTQ couples, will be the main driver for people to bring their pets during their business trip or leisure travel as they may not have someone to look after their pets when they are away from home. However, based on the findings, there is currently a limitation in pet-friendly hotel whether these are complex policy, additional extra pet fee, extra cleaning fee, no basic amenities for pet being provided, no zoning between cats and dogs etc. All of these facts have limited pet parents in taking their pets with them on the trip.

According to these findings, it was identified that budget pet-friendly hotels is [MT1][PE2]of an interesting business and would address the need of pet parents customer. The trend of people traveling with their pets will become an emerging market in hospitality and tourism business. Either it will be business travel or leisure travel, pet owner customers will be seeking for this type of accommodation. Therefore, considering all these factors, the excessive demand, trend and possible future growth of this segment, Hug My Pet hotel project is established in order to accommodate these needs.

Hug My Pet hotel will be designed and built specifically for pet-friendly purpose whereby the material for furniture will be made pet-friendly with no additional charges of extra pet fee. Moreover, there will be separate zoning for dogs and cats as well as grooming service and daycare are also available within hotel facility. The project will be having total of 40 rooms, 2 separate dog and cat common play area, 2 dog grooming and daycare, 2 cat grooming and daycare, in a 3-storey building, targeting Thais with the middle to high income who are pet owner and regularly travel for either leisure or work-related.

Hug My Pet Hotel business plan covers a comprehensive analysis of industry trends, internal environment, external environment, marketing strategies, hotel

management process, service process, human resources management as well as financial strategies. [This will enable Hug My Pet hotel to have competitive advantage]<sub>[MT3]</sub> such as specifically built and designed for pet, simple regulation and pet policy, no extra pet fee charge, budget hotel with competitive price, offer daycare and grooming service, providing basic amenities for pet. It also allows Hug My Pet to analyze project feasibility. <sub>[PE4]</sub>

According to the feasibility and financial plan of Hug My Pet Hotel, it was identified that Hug My Pet Hotel will require an investment of 29,672,850 Baht. From the analysis base on the base case scenario, it was found that this project is having positive Net Present Value (NPV) of 3,724,271 Baht with the internal rate of return (IRR) of 11% and discounted payback period of 4.46 years. As IRR with the rate of 11% is higher than the financial cost (Weighted Average Cost of Capital: WACC) of 6.3%, this indicate that the project is financially viable and attractive for the investment in this project.

**Keywords:** Pet-friendly, Accommodation, Tourism, Chonburi, Feasibility Study

## ACKNOWLEDGEMENTS

This successful completion of independent study would have not been successfully completed without the support and assistance from many people who have devoted their valuable time, support, and advice throughout the process of independent study.

Firstly, the researcher would like to take this opportunity to express sincere gratitude to my advisor, Associate Prof. Surat Teerakapibal, Ph.D., and the chairman, Associate Prof. Mathupayas Thongmak, Ph.D. for their guidance, advice, and continuous support for the preparation of this business plan. It has been, truly an honor. getting to learn and develop myself from their experienced advice and knowledge.

Secondly, I would like to thank all the instructors of Master of Business Administration program at the Faculty of Commerce and Accountancy, Thammasat University who have provided valuable knowledge throughout the course.

Lastly, researcher would also like to express appreciation to my family, friends, colleagues, classmate for their understanding and support along the journey.

Mr.Ekapol Pruengpanyanont

## TABLE OF CONTENTS

ABSTRACT	(1)
ACKNOWLEDGEMENTS	(4)
TABLE OF CONTENTS	(5)
LIST OF TABLES	(12)
LIST OF FIGURES	(14)
CHAPTER 1 INTRODUCTION	1
1.1 Background of Thailand tourism	1
1.1.1 Tourism industry outlook	2
1.1.2 Recovery – opportunities	2
1.1.3 Tourism trend	3
1.1.4 Pet market Industry	4
1.1.5 Pet ownership in Thailand	5
1.1.6 Budget hotel industry	7
1.1.7 Scope of business	8
1.2 Business model	9
1.2.1 Customer segment	9
1.2.2 Value proposition	11
1.2.3 Channels	12
1.2.4 Key activities	13
1.2.5 Key partners	13



	(6)
1.2.6 Key resource	13
1.2.7 Cost structure	13
1.2.8 Revenue stream	13
<b>CHAPTER 2 EXTERNAL ENVIRONMENTAL ASSESSMENT</b>	<b>15</b>
2.1 Industry structure	15
2.2 PESTEL Analysis	16
2.2.1 Political factors	16
2.2.2 Economic factors	16
2.2.3 Sociocultural factors	16
2.2.4 Technological factors	17
2.2.5 Environmental factors	17
2.2.6 Legal factors	18
2.3 Five force model Analysis	18
2.3.1 Industry Rivalry	18
2.3.2 Bargaining power of suppliers	19
2.3.3 Bargaining power of customers	20
2.3.4 Threats of substitute	20
2.3.5 Threats of new entrance	20
2.4 Competitor analysis	21
<b>CHAPTER 3 INTERNAL EVALUATION</b>	<b>24</b>
3.1 Business Description	24
3.1.1 Business Name and Logo	25
3.1.2 Business Location	26

	(7)
3.1.3 Distance to surroundings	27
3.2 Vision, Mission and Goals	29
3.2.1 Vision	29
3.2.2 Mission	29
3.2.3 Goals	30
3.2.3.1 Short term goals:	30
3.2.3.2 Long-term goals:	30
3.3 Competitors	30
3.3.1 Direct	30
3.3.2 Indirect	36
3.4 SWOT analysis of the business	39
3.5 Evaluation of opportunities and risk for business	40
3.5.1 Opportunities	40
3.5.2 Risk	41
<b>CHAPTER 4 MARKET RESEARCH</b>	<b>42</b>
4.1 Research Objectives	42
4.2 Expected Outcomes	42
4.3 Research Scope	42
4.4 Marketing Mix Theory	43
4.4.1 The 7Ps of The Marketing Mix	43
4.4.1.1 Product	43
4.4.1.2 Price	43
4.4.1.3 Place	43
4.4.1.4 Promotion	43
4.4.1.5 People	44
4.4.1.6 Process	44

	(8)
4.4.1.7 Physical Evidence	44
4.5 Primary Data Study	44
4.5.1 Qualitative Research	44
4.5.1.1 Research Methodology	44
4.5.1.2 Research Tools	44
4.5.1.3 Participant profile	45
4.6 Research Results	46
4.6.1 Qualitative Research Results — Focus group interview	46
4.6.2 Qualitative Research Results — In-depth interview	49
4.6.3 Qualitative Research Summary	59
CHAPTER 5 MARKETING PLAN	63
5.1 Target Market	63
5.1.1 Primary target	63
5.1.2 Secondary target	63
5.2 Market Positioning	64
5.3 Marketing mix	65
5.3.1 Products and services	65
5.3.2 Price	69
5.3.3 Place	71
5.3.4 Promotion	74
5.3.4.1 Advertising	74
5.3.4.2 Influencer Marketing	75
5.3.4.3 Direct Marketing	76
5.3.4.4 Event Marketing	76
5.3.4.5 Sales promotion	77
5.3.4.6 Customer Loyalty Program	77

	(9)
5.3.5 People	78
5.3.6 Process	78
5.3.6.1 Booking process	79
5.3.6.2 Guest check-in process	79
5.3.6.3 Staff service process	79
5.3.6.4 Feedback and continuous improvement process	79
5.3.7 Physical evidence	80
5.3.7.1 Environment of surrounding area	80
5.3.7.2 Exterior and Interior Design	80
5.3.7.3 Security and Safety	80
<b>CHAPTER 6 OPERATING PLAN</b>	<b>82</b>
6.1 Construction plan, permit, and licensing	82
6.1.1 Construction planning	83
6.1.2 Construction contractor	83
6.1.3 Hotel licensing	83
6.2 Operation plan	84
6.2.1 Room Reservation and Payment	84
6.2.2 Registration and Check-in	85
6.2.3 Snack Bars and Instant Meal Service	85
6.2.4 Housekeeping Service	86
6.2.5 Daycare and Grooming Service	86
6.2.6 Check-out and bill settlement	86
6.3 Human Resources Strategy	87
6.3.1 Human Resources Management Objectives	87
6.3.2 Organizational structure	87

	(10)
6.3.3 Manpower planning	88
6.3.4 Work schedule management	89
6.3.5 Staff Recruitment Process	90
6.3.6 Staff Training	90
6.3.7 Staff evaluation	91
6.3.8 Staff remuneration and benefits	91
 CHAPTER 7 FINANCIAL PLAN	 93
7.1 Financial Objectives and goals	93
7.1.1 Financial Objectives	93
7.1.2 Financial Goals	93
7.2 Establishing Financial Assumptions	93
7.2.1 Source of Funds	93
7.2.2 Weighted Average Cost of Capital	94
7.2.2.1 Cost of Debt: $K_d$	94
7.2.2.2 Cost of Equity: $K_e$	94
7.2.2.3 Corporate Income Tax: $t$	95
7.2.2.4 Weighted Average Cost of Capital: WACC	95
7.2.3 Income Projections	96
7.2.4 Initial Investment	97
7.2.5 Cost Projections	102
7.2.6 Operating expenses projections	102
7.2.6.1 Distribution Costs	102
7.2.6.2 Administrative Costs	103
7.2.6.3 Asset depreciation	104
7.2.6.4 Financial costs	105
7.3 Analysis of Financial Returns	105

	(11)
7.3.1 Income statement	105
7.3.2 Balance sheet	108
7.3.3 Free Cash Flow	109
7.4 Sensitivity Analysis	109
7.4.1 Base Case Scenario	110
7.4.2 Best Case Scenario	111
7.4.3 Worst Case Scenario	112
CHAPTER 8 EVALUATION & CONTINGENCY PLAN	1134
8.1 Evaluation	114
8.1.1 Sales and marketing	1145
8.1.2 Operation	115
8.1.3 Human Resources	115
8.1.4 Finance	115
8.2 Contingency Plan	116
8.2.1 Marketing Plan	116
8.2.2 Operational Plan	116
8.2.3 Financial Plan	117
REFERENCES	118
APPENDICES	126
APPENDIX A	127
BIOGRAPHY	131

## LIST OF TABLES

Tables	Page
1.1 Business Model Canvas of Hug My Pet Hotel	14
2.1 Big chain hotels	21
2.2 Small-medium sized hotels	23
3.1 Details of the project	26
3.2 Distance to surroundings attractions	28
3.3 Direct competitor analysis	33
3.4 SWOT analysis of the business	39
4.1 Demographics profile of participant in focus group	45
4.2 Demographics profile of participant in in-depth interview	45
4.3 Qualitative Research results	59
5.1 Floor details	66
5.2 Accommodation price	69
5.3 Daycare service price	70
5.4 Cat grooming service price	70
5.5 Dog grooming service price	71
5.6 Estimated marketing and promotional expenses of Hug My Pet Hotel	78
6.1 Manpower planning of Hug My Pet Hotel	89
6.2 Employee compensation and benefits	92
7.1 Source of fund	94
7.2 Structure and cost of capital of Hug My Pet Hotel	95

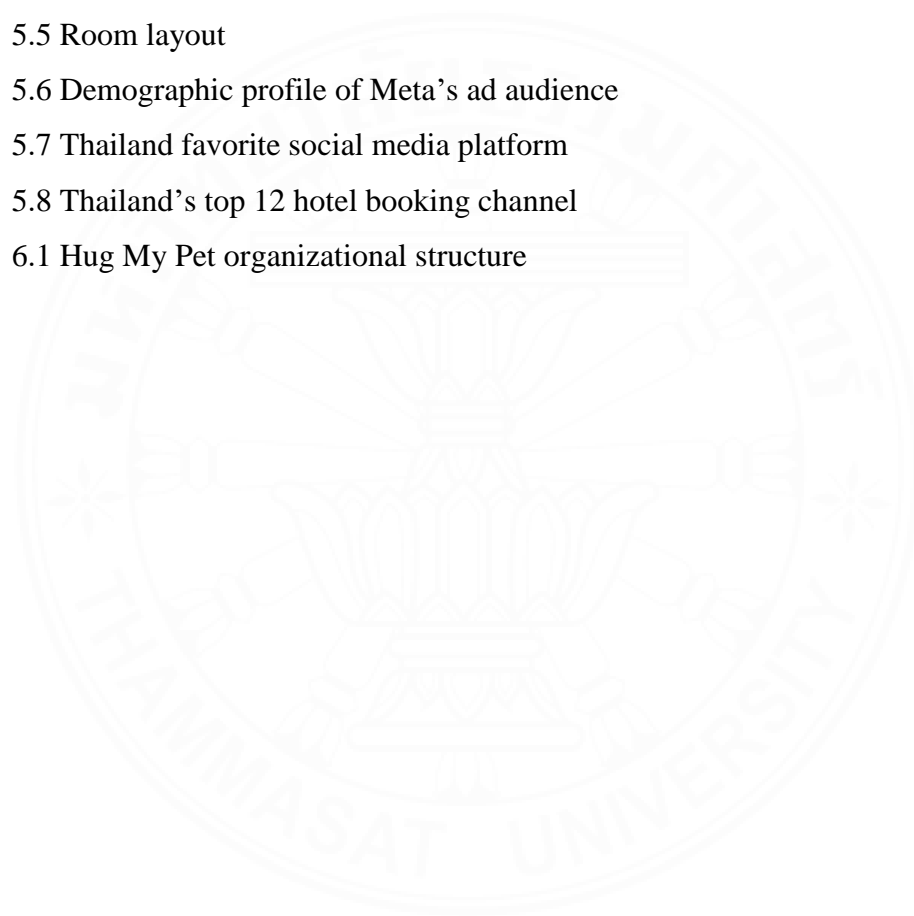
7.3 Hug My Pet hotel 5-year income projections	97
7.4 Interior furniture and decoration list	98
7.5 Electrical appliances	100
7.6 Grooming and daycare accessories	101
7.7 Initial investment cost	101
7.8 Estimated 5-year distribution cost of Hug My Pet Hotel	103
7.9 Estimated 5-year administrative cost of Hug My Pet Hotel	104
7.10 Estimated annual asset depreciation of Hug My Pet Hotel	104
7.11 Interest expenses on Long-term loans of Hug My Pet Hotel from year 1- year 5.	105
7.12 Income statement of Hug My Pet Hotel	106
7.13 Balance Sheet of Hug My Pet Hotel	108
7.14 Hug My Pet Hotel 5-year free cash flow	109
7.15 Hug My Pet Hotel 5-year free cash flow with discounted payback period, NPV and IRR	110
7.16 Hug My Pet Hotel 5-year free cash flow with discounted payback period, NPV and IRR in best case scenario	111
7.17 Hug My Pet Hotel 5-year free cash flow with discounted payback period, NPV and IRR in worst case scenario	112
7.18 Summary of scenarios	113



## LIST OF FIGURES

Figures	Page
1.1 Thailand tourism can recover in 2024 if low infection rate can be maintained	1
1.2 Domestic tourism market size historical/forecast	2
1.3 Thailand pet industry market 2020	4
1.4 Thailand pet industry 2021-2026 forecast	5
1.5 Cats and dogs ownership in Thailand household	5
1.6 Thailand household	6
1.7 Age range group and pet owning trend	6
1.8 Main age group that contributed to incremental in hotel revenue	10
1.9 Consumer Expenditure in Top regions	10
1.10 Average gross income by age in Thailand 2020-2040	11
1.11 Receipts from Thai tourist	12
2.1 Numbers of lodging outlets in Thailand	19
2.2 Porter's five forces analysis	21
3.1 Hotel entrance	25
3.2 Hug My Pet Logo	25
3.3 Hug My Pet location overview	26
3.4 Hug My Pet location	27
3.5 Hug My Pet land area	27
3.6 Industrial area around hotel	28
3.7 Hotel Hill Fresco	30
3.8 Pattana sports resort	31
3.9 Hermann hotel Pattaya	32

3.10 Oakwood hotel and residence SriRacha	37
3.11 Oakwood Journey hub Pattaya	38
3.12 ibis Pattaya	38
5.1 Market positioning comparing price and pet-friendly factors	64
5.2 Building layout (1st floor)	65
5.3 Building layout (2nd & 3rd floor plan)	66
5.4 Use of furniture in the room	67
5.5 Room layout	69
5.6 Demographic profile of Meta's ad audience	72
5.7 Thailand favorite social media platform	72
5.8 Thailand's top 12 hotel booking channel	72
6.1 Hug My Pet organizational structure	88



# CHAPTER 1

## INTRODUCTION

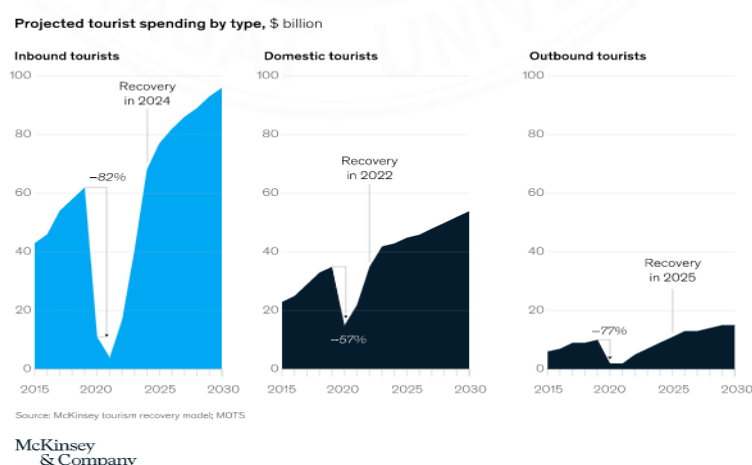
### 1.1 Background of Thailand tourism

In early 2020, international travel to Thailand plunged due to COVID-19 pandemic and related travel restrictions worldwide. Domestic spending also dropped by 57% during the pandemic period. Accommodation occupancy rate were negatively impacted.

COVID-19 pandemic had affected tourism industry worldwide. Recovery appears to be on the horizon for every country globally. Many countries now including Thailand had lifted travel restrictions aiming to revive in international travel. Assuming that there will be no longer new COVID-19 virus strain, Thailand's tourism sector could only recover to pre-crisis levels by 2024.

During the pandemic, Thai government has put an effort in stimulating tourism by implementing Travel Together campaign. This program aims to boost domestic travel by providing subsidies for lodging and flights for travelers. Many hotel operators took this opportunity and shifted their focus to domestic travelers. From the implementation of this program, in February 2021, \$1 billion had been added to Thai economy. (Steve Saxon, Jan Sodprasert, and Voramom Sucharitakul, 2021)

**If Thailand can maintain a low infection rate, its tourism sector can recover as soon as 2024 (as of November 15, 2021), driven by the return of international travel.**



*Figure 1.1* Thailand tourism can recover in 2024 if low infection rate can be maintained

Source: (Steve Saxon, Jan Sodprasert, and Voramom Sucharitakul, 2021)

As of July 2022, Thailand Government has decided to lift all local and international travel restrictions and the tourism sector has been recovering since then. (NikkeiAsia, 2022). In the first 7 months of 2022, there were 67.8 million Thai travelers that travel locally, and this has generated 4.3 hundred million Baht. This is a good sign that tourism industry starting to recover. (Royal Thai Government, 2022)

### 1.1.1 Tourism industry outlook

It is expected for the tourism revenue in 2023 to reach 2.38 trillion baht, approximately 80% of pre-pandemic revenue. It is forecasted that domestic tourists will contribute about 880 billion baht to this tourism revenue forecast. (NikkeiAsia, 2022)

Geography	Category	Data Type	Unit	Current Constant	2019	2020	2021	2022	2023	2024
Thailand	Domestic Tourism	Retail Value RSP	THB million	Current Prices	286,725.1	93,021.9	66,718.7	154,809.2	208,133.6	231,247.7

*Figure 1.2 Domestic tourism market size historical/forecast*

Source: Euromonitor International, 2022c

According to Euromonitor International, 2022c Thailand domestic tourism have started to recover and it is forecasted that this growth will continue.

### 1.1.2 Recovery – opportunities

Thailand had heavily relied on international travelers as a main source of national income. As evident, COVID-19 pandemic impacted many industries and there was no other back up plan in place to prevent such from occurring. Certain actions can be considered to boost travel and tourism domestically.

Tourism industry should explore opportunities to offer services and products that meet new travel demands. New pricing strategies shall be investigated to drive long-term loyalty for both domestic and international travelers.

Promoting a more differentiated travel experiences e.g. ecotourism and cultural tourism with naturally location based could attract more customers.

Explore first and second tier cities such as Chiang Rai, Nakhon Si Thammarat, Nakhon Nayok, Ratchaburi and Loei. These locations have been able to

sustain visitor numbers at a relatively low rate of decline, largely due to domestic travelers looking for new places to visit during international travel restrictions.

Opportunities with domestic travelers are still in place but there will need to be a proper promotion and offer good travel experience. This will not only contribute to the survival of the industry, but it could also lead to attracting more international visitors. (Steve Saxon, Jan Sodprasert, and Voramon Sucharitakul, 2021)

### **1.1.3 Tourism trend**

The tourism has definitely transformed dramatically over the past few years. Consumers spending behavior tend to shift towards a more cautious traveling.

According to Amadeus Survey (Joseph, 2021), travelers fear of catching COVID-19 during a trip, followed by the prospect of self-isolation or quarantine and last-minute cancellations due to changes in travel restrictions. To increase traveler confidence, companies will need to consider safety measures, taking extra precautions to make sure that their customer feel secure and are well protected in case their concern arises.

Sustainable travel is still the future of the industry and the key to recovery. The rising effect of climate changes have accelerated the trend of eco-friendly travel and this is now a priority for many consumers. The trend of active ecotourism and cultural engagement also continuously growing where it allows travelers to explore destination in a more sustainable way while helping local communities.

Global labor shortages still remain at large and are currently affecting businesses. The labor supply still not meeting the high demand for travel. This will continue to rise as most of job seekers aren't interested in hospitality sector. (Baratti, 2021)

Pandemic had made an impact on both the way we work and travel. Remote jobs are now much more feasible.

During pandemic, we have started to see quite a few of hotels using contactless payments and digital vaccine certificate. This have made travel both safer and more efficient. The adaptation of technology has become key for both travelers and hotels, this will continue to grow in order to survive and thrive in current situation. (G-Adventures, 2021)

Personalization still in favor of most consumers and will continue to grow. As per information provided above, it is evident that domestic leisure travel flows will be one of the first to normalize. As the consumer behavior shifted, other lodging options will see an increase in demand as consumers will be looking for leisure travel opportunities in nature and countryside areas. Lodging by domestic travelers still on the rise and will continue to grow. Hotels sales were impacted by pandemic but starting to recover in 2021.

#### 1.1.4 Pet market Industry

According to the Thai Pet Product Association (Puranabhandu, 2021), in 2020, there were about 14.5 million pets in Thailand. This comprised of 8.9 million dogs (62%), 3.3 million cats (23%), and other pets (15%). The market showed an average annual growth rate of 10% since 2017 as pet parenting continue to rise.

The increase in the number of singles, LGBTQ, and aging society are the fact that driving this industry to grow. Pet related businesses are expected to continue to grow with the pet parenting trend.(ThaiPBSworld,2021).

According to recent data from BangkokBiznews, the pet market industry is now worth about 30 billion Bath and continue to grow. This consisted of 45% pet food businesses and 55% pet supplies and services. (Bangkokpost, 2022).

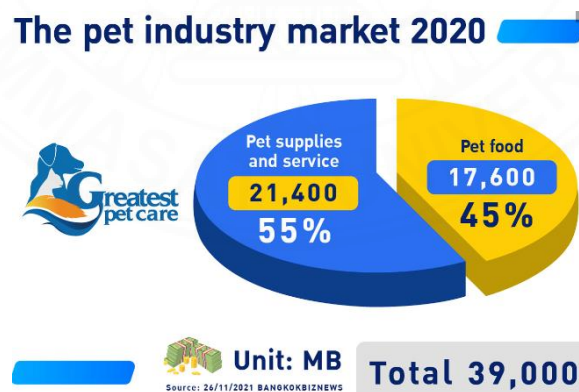


Figure 1.3 Thailand pet industry market 2020

Source: (Bangkokpost, 2022).

Below chart illustrated the forecast market size related to pet industry. For Thailand market, it is expected to grow with 8.4% CAGR from 2021-2026 which will

have the market size with approximately 66,748 million Baht by 2026. (Marketeeronline, 2021)



Figure 1.4 Thailand pet industry 2021-2026 forecast

Source: (Marketeeronline, 2021)

### 1.1.5 Pet ownership in Thailand

Cats and dogs ownership in household see an incremental in number. According to Euromonitor (2022) data, there are 3,021,400 households owning cat and 6,385,700 households owning dog. The average household size is approximately 2.5 persons per household. For cats and dogs ownership, it can be determined that there are about 23 million people.

Pet Ownership | Historical

Geography	Category	Categorization Type	Unit	2017	2018	2019	2020	2021	2022
Thailand	Cat	Households owning a cat	000 Households	2,472.4	2,536.7	2,628.6	2,722.8	2,808.4	3,021.4
Thailand	Dog	Households owning a dog	000 Households	5,453.1	5,583.2	5,757.7	5,941.2	6,146.6	6,385.7

Research Sources:

Pet Care: Euromonitor from trade sources/national statistics

Figure 1.5 Cats and dogs ownership in Thailand household

Source: Euromonitor, 2022a

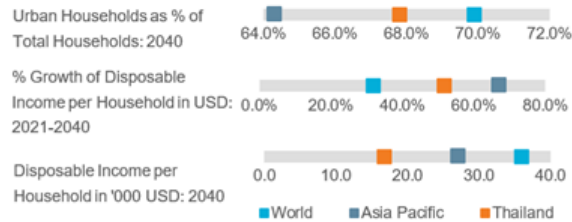
Chart 1 Household Profile: 2040

Average Household Size in  
Thailand: 2040

**2.5**  
PERSONS

Average Number of Children  
per Household in Thailand: 2040

**0.4**  
CHILD



Source: Euromonitor International from national statistics/UN

Note: Data for 2022-2040 are forecasts

Figure 1.6 Thailand household

Source: Euromonitor, 2022b

Morgan Stanley Research indicated that 75% of people within the age range of 18-34 years old already own a pet. 65% of this group planned to have more pet in their possession within the next 5 years. They also treat their pet like their own child. (Morgan Stanley, 2021)

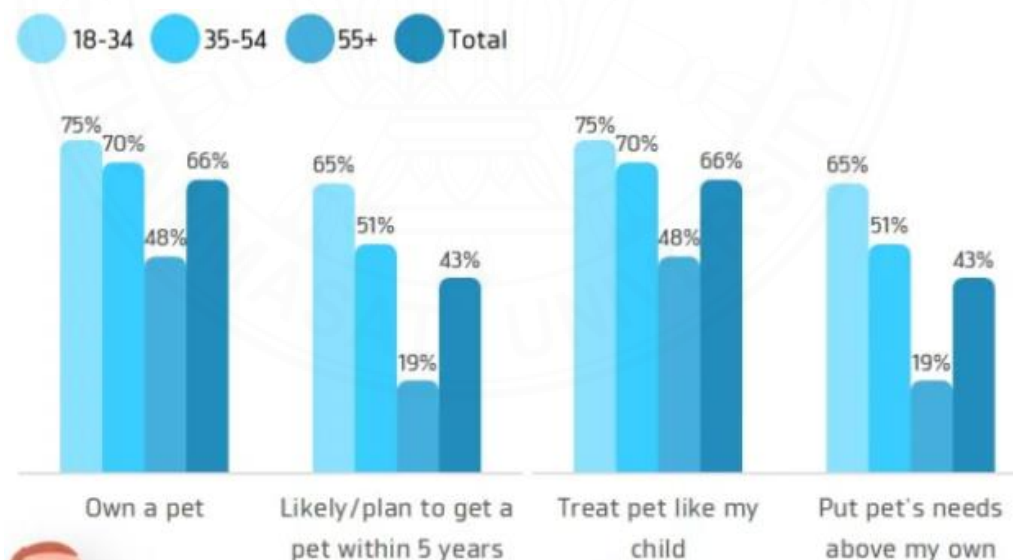


Figure 1.7 Age range group and pet owning trend

Source: Morgan Stanley, 2021



### **1.1.6 Budget hotel industry**

In the past, hotels were only a place for staying overnight with a room that equipped with basic amenities. At present, there are now a few types of accommodation, for instance, budget hotel, luxury hotel, boutique hotels and bed and breakfast.

Budget hotel is the type of hotel that targeted customer that can only spend a minimum amount for staying. It is normally equipped with basic facilities and amenities. It has basic facilities such as bed, bathroom, table, and washroom. This type of hotel is suitable for budget travelers who either not willing to spend lavishly or could be a regular commuter who normally have to travel for business purpose.

Luxury hotels are for those who are willing to spend more money. It has additional features when comparing to budget hotels such as bars, swimming pools, gym, refrigerator and etc. This type of hotel has a more spacious rooms and more attractive design. It is also normally located in popular tourist destinations and big cities. Luxury hotels are suitable for mid-senior level business travelers and family group. The Ritz-Carlton, Sheraton, Westin, Hilton, Courtyard, and Marriot are some examples of Luxury chain hotels as these brands fall under a group of hotels operated by a company or owner and generally located worldwide.

Boutique hotels are usually comprising of 100 rooms or fewer and much smaller than chain hotels. It is normally located in unique location such as urban city center or a hip shopping district. It also has a specific target customer with unique style and thoughtful services offer.

Bed and breakfast type of hotel is suitable for travelers who seek to have local experience. It is typically small and privately-owned properties. The owners either live on the property or nearby area. Airbnb is some examples of service provider where it allows user to find a local property to stay overnight. (Cvent, 2022)

As COVID-19 situation starting to become normalize, many people including tourist are starting to make trip to Thailand for both business purpose and leisure purpose. It is estimated that only Thailand tourist alone will make 125 million domestic trips in 2022 and 145 million in 2023. Budget hotels forecast sales also seeing an increased every year as well as the new outlet. (Krungsri Research, 2021)

Budget hotels in Thailand are mainly own by either a small privately-owned company or an owner. However, this has started to change in the past few years as hotel chains operators seeing the benefit in the sector and starting to get into this area of industry.

Large hotel chains are now investing mostly in mid-range and budget hotels in tourist areas, regional centers, and borders that are linked to economically to neighboring countries. For instance, Erawan group had been investing in Hop Inn chain, CP land had been investing in Fortune D hotel, and Central plaza had been investing in COSI chain. The fact that large hotel chains are doing this is mainly because there are better margins from low-end hotel segments. Budget hotels required lower operational costs and investment due to a simpler business model. (DBS Group Research, 2020)

#### **1.1.7 Scope of business**

Based on the data and trends that afore mentioned, as COVID-19 situation improves, business and leisure travels in Thailand will continue to grow. There are still room for opportunities available. Budget hotels segment are looking positive as people starting to resume their normal travels for business purpose as well as stimulation program from government. Domestic travel will continue to grow. Budget hotels are also the investment trend from large hotel chain operators as it required lower investment but at the same time providing better margin when comparing to luxury hotels. Numbers of pet owners and pet population are also growing with the trend of pet parenting and aging society. This led to the growing numbers in pet related businesses.

Pet parents would most likely take their pets on either business trip or holidays with them where possible. Especially, with the rising trend of LGBTQ, single, childless couples, and LGBTQ couples, these will be the main driver for people to bring their pets during their business trip as they may not have someone to look after their pets when they are away from home. Moreover, there are risk involved when the pets are left alone without the pet parents e.g., damage furniture, dirty floors or even fire accident. However, currently, there is a limitation of standard pet-friendly accommodations that preventing them from doing so. Additionally, most of current pet-friendly hotels are still somewhat expensive. There may be customers that want to save cost on lodging and spend more on foods and activities.

According to these findings, it can be identified that budget pet-friendly hotels is of an interesting business. The trend of people traveling with their pets will become an emerging market in hospitality and tourism business. Either it will be business travel or leisure travel, pet owner customers will be seeking for this type of accommodation.

## **1.2 Business model**

The Hug My Pet budget pet friendly hotel will be serving customers who own the pets and usually must travel with their pets. The hotel will be in economic upcountry province, providing mainly 2 services:

Accommodation for pet owner and their pets with all mandatory pet accessories.

Daycare pet service will also be offered so in case the owner has to travel for business meetings they can use our service and pick up their pet later when they finished their work.

### **1.2.1 Customer segment**

According to travel & tourism data (Statista, 2021), people with the age from 25-44 years old are the main age group that contributed to incremental in hotel revenue. Figure 1.10 also shown that people with the age from 25-44 years old are also having top 5 high average gross income. The target customers are the pet owner customers who regularly must travel to upcountry for both business and leisure purpose.

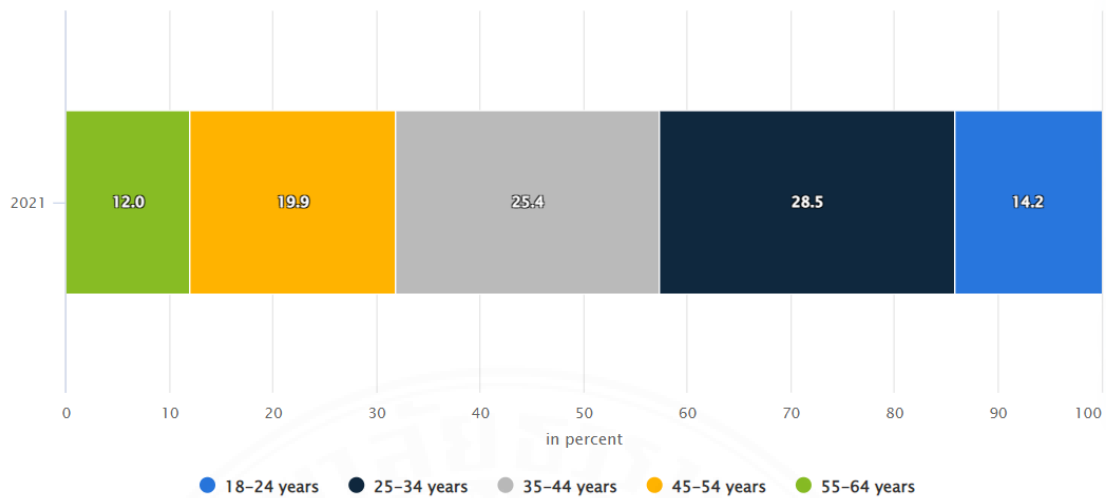


Figure 1.8 Main age group that contributed to incremental in hotel revenue.

Source: Statista, 2021

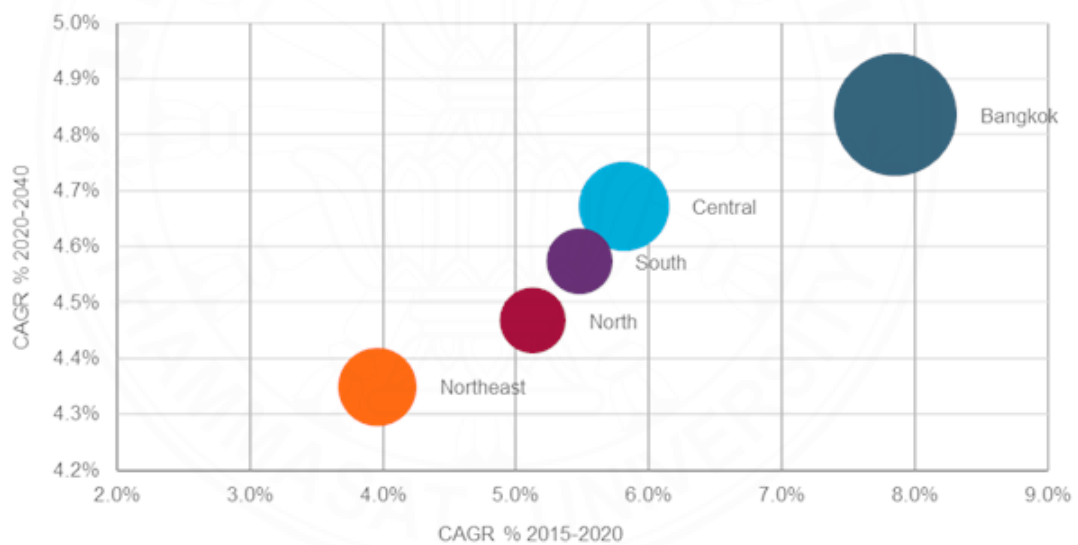


Figure 1.9 Consumer Expenditure in Top regions

Source: Euromonitor, 2021

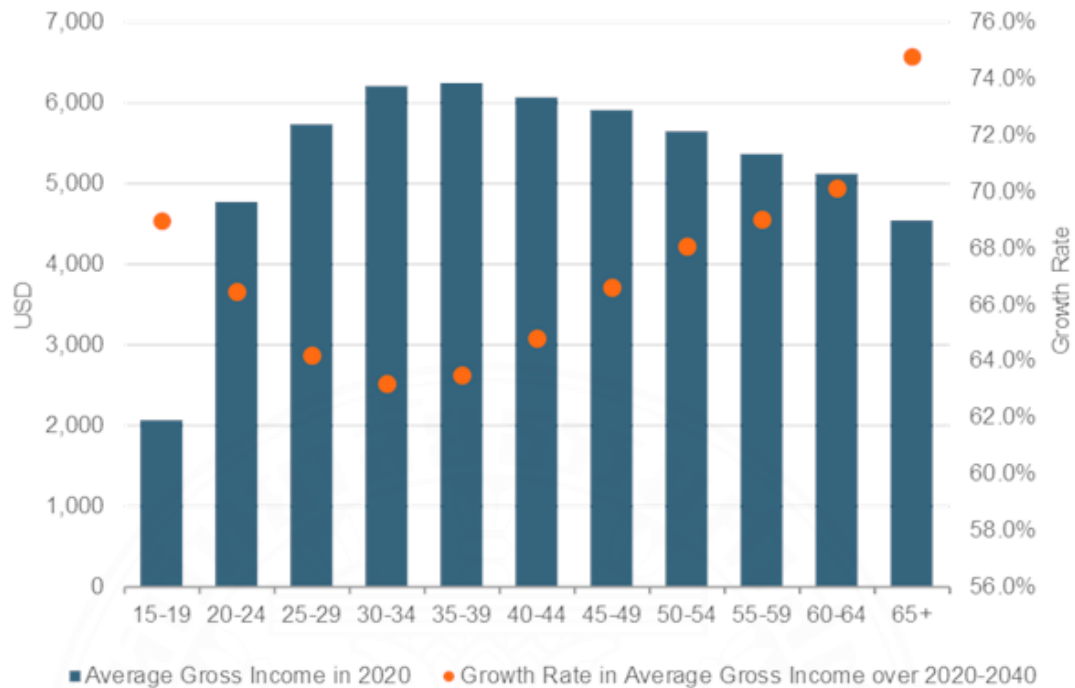


Figure 1.10 Average gross income by age in Thailand 2020-2040

Source: Euromonitor, 2021

### 1.2.2 Value proposition

Currently, the pet friendly hotels are still limited in numbers nationwide. The existing pet friendly hotel are not specifically designed for pets, they were designed for human but because of the rising demand and trend of pet owners, most hotels had to adapt their policy in allowing the pets into their premises. Most of these pet friendly hotels are still somewhat expensive and more suitable for vacation. The pet friendly hotel policy is also complex.

With these identified gaps, Hug My Pet budget pet-friendly hotel that specifically designed for human and pets with simple regulation and policy will be the value proposition. The hotel will offer followings to dog and cat owners:

- (1) Separate floors for dogs and cat's owners
- (2) Common area for both dogs and cats
- (3) Design and use of furniture that will be suitable for pets
- (4) All necessary pet accessories
- (5) Pet day care and grooming services

### 1.2.3 Channels

Figure 1.11 shows that Bangkok, Chonburi and Phuket are the 3 major Thai tourists attractions. Government have invested in Eastern Economic Corridor (EEC), they aim to develop eastern provinces such as Chonburi, Rayong and Chachoengsao into a leading ASEAN economic zone (Asean Briefing, 2018). These provinces will be a hub for technological manufacturing and services with strong connectivity to its ASEAN neighbors by land, sea and air. This will stimulate tourism and job creation in these provinces. This project should be located in Chonburi province to accommodate those individuals who have to regularly travel for either business purpose or leisure. Besides direct sales from hotel reception counter, social media and online travel agencies will also be utilized in channels.

Area/Location	Receipts from Thai Tourists (mn Baht)		
	2019	2020	% YoY
Bangkok	384,605	133,761	-65.2
Chonburi	55,499	27,989	-49.6
Phuket	49,726	20,937	-57.9
Chiang Mai	67,231	42,474	-36.8
Krabi	38,381	13,607	-64.5
Songkhla	31,501	17,424	-44.7
Rayong	32,004	11,757	-63.3
Prachuap Khiri Khan	28,602	16,135	-43.6
Petchaburi	26,375	13,549	-48.6
Kanchanaburi	25,600	14,775	-42.3
Nakhon Ratchasima	23,907	12,435	-48.0
Chiang Rai	22,474	13,968	-37.8
Khon Kaen	17,788	8,638	-51.4
Suratthani	17,040	7,450	-56.3
<b>Nationwide</b>	<b>1,081,759</b>	<b>482,468</b>	<b>-55.4</b>

Figure 1.11 Receipts from Thai tourist

Source: Krungsri Research, 2021

#### **1.2.4 Key activities**

An affordable pet friendly accommodation service for business travel with optional pet day care service. Hotel will be designed and built specifically for pet owner. Dog and cat owners will have a separate floor to ensure that their pets feel comfortable during their stay. All mandatory accessories e.g., food bowl, water bowl, towel etc. for pet will be provided. Common area is also available for dog and cat which will also be separated.

#### **1.2.5 Key partners**

For accommodation service, online booking platform partner is crucial. The key partner for booking service can be Bookings, Agoda or Pet Friendly hotel platform. Local veterinarian clinic can also be a part of key partner in case there is an emergency.

#### **1.2.6 Key resource**

Human resources are the key for this type of industry. Housekeeping will have to achieve high standard in keeping the room neat and tidy. For day care service, pet groomer and caretaker will be essential.

#### **1.2.7 Cost structure**

The cost structure of this project will include 1) Construction 2) Interior design 3) Hotel supplies 4) Employee salary 5) Utilities 6) Maintenance cost 7) Online travel agencies 8) Advertising and promotions 9) Food and beverages 10) Interest on loans and taxes

#### **1.2.8 Revenue stream**

The main revenue income will be coming from 1) Accommodation fee 2) Daycare service 3) Selling pet products e.g., food, snacks, litter

Table 1.1 *Business Model Canvas of Hug My Pet Hotel*

<b>Key Partners</b> <ul style="list-style-type: none"><li>• Online travel agencies e.g., Booking.com, Agoda, Pet friendly hotel site</li><li>• Local veterinarian clinic</li><li>• Travel online media e.g., travel review bloggers, travel review page</li></ul>	<b>Key Activities</b> <ul style="list-style-type: none"><li>• Short-term accommodation</li><li>• Maintain high hygiene standard and safety</li><li>• Pet daycare and grooming services</li></ul>	<b>Value Propositions</b> <ul style="list-style-type: none"><li>• Simple pet regulation and policy</li><li>• Room design and furniture specifically for pets</li><li>• Separate zone for cats and dogs</li><li>• Pet day care and grooming services</li><li>• Common play area for pets</li></ul>	<b>Customer Relationships</b> <ul style="list-style-type: none"><li>• 24-hour reception</li><li>• Customer loyalty program</li><li>• Personalized service</li><li>• Social media engagement</li></ul>	<b>Customer Segments</b> <ul style="list-style-type: none"><li>• Thai business and leisure traveler aged 25-44 years old</li><li>• Pet Owner who often commute to upcountry for business purpose</li></ul>
	<b>Key Resources</b> <ul style="list-style-type: none"><li>• Guestrooms and facility<ul style="list-style-type: none"><li>• Staffing e.g., housekeeper, pet groomer, caretaker etc.</li></ul></li></ul>		<b>Channels</b> <ul style="list-style-type: none"><li>• Social media e.g. Facebook, Instagram, Line and Tiktok</li><li>• OTA platforms e.g., Agoda, Booking.com</li><li>• Reception counter</li></ul>	
<b>Cost Structure</b> Online travel agencies commissions, advertising and promotions, salaries, utilities, food and beverages, hotel supplies, interest on loans, taxes			<b>Revenue Streams</b> Room revenues, food and beverages revenues, day care revenues, grooming services fees	



## **CHAPTER 2**

### **EXTERNAL ENVIRONMENTAL ASSESSMENT**

#### **2.1 Industry structure**

Generally, the most popular pets in Thailand are cats and dogs. There are 3,021,400 households owning cat and 6,385,700 households owning dog. As of 2020, there are 8.9 million dogs and 3.3 million cats. As pet parenting continue to rise, the market showed an average annual growth rate of 10% since 2017. The pet market in Thailand is valued at 29.3 billion in 2017, 32.2 billion in 2019 and 36 billion Thai baht in 2019 respectively.

The factors that drive this market are mainly coming from aging population, pet humanization, improved pet health care, friendly pet community and the increase in the number of singles and LGBTQ. Thailand has been experiencing pet humanization due to these factors, leading to inclining pet acquisition rate. With the rising middle class, these pet parents, are willing to spend on high quality products for their pets such as clothes, accessories, food, and pet services. The demand for quality pet products and services are constantly growing.

The number of people bringing their pets during their business travel and holidays are increasing every year. Traveling with companion animal is one of the fastest growing trends in the tourism industry. With this trend, hotel industry is experiencing a boom in pet-friendly hotels.

Nowadays, big hotel chains and small hotels starting to offer this feature to travelers as they must adapt themselves to cope with this fast-growing trend. However, setting the terms of services through pet policy to accommodate pet owners and regular traveler have been challenging to numbers of hotel. Additionally, standard pet friendly hotels are still limited and a constraint in tourism and hospitality market in Thailand market.

Currently, there are only a few numbers of pet-friendly hotel available in Thailand. Most of them are not specifically designed and built especially for pet owner,

they had to adapt themselves to keep up with the demand. As a result, most of these hotels are expensive, complex in policies, not comfortable for pets and pet owner.

## **2.2 PESTEL Analysis**

### **2.2.1 Political factors**

The center for COVID-19 situation administration (CCSA) fully reopens the country for international travelers by canceling Thailand pass registration and health insurance requirements for foreign travelers. This has stimulated Thai tourism industry. Thailand's reopening should prompt a surge of incoming tourists in Q3 and Q4 of 2022. (Kasikorn Research, 2022) This also have a positive impact to domestic trips. If there is no serious reemergence of COVID-19 that prompts the government to impose stringent containment measures, it is expected that domestic travel will see a steady growth. Risk from the Russia-Ukraine war remaining uncertain. This may affect the recovery of tourist markets from Russia and Eastern Europe. Energy war must also be closely monitored.

### **2.2.2 Economic factors**

Rising in energy prices and soaring inflation in many countries worldwide has resulted in higher costs of living. This may have a negative impact to Thailand hospitality industry as it may affect tourist decision on their overseas travel.

Lack of flights and rising fuel could be the key challenge that prevent the recovery of the tourism industry. With the rising inflation, the bank of Thailand governor signals to gradually increase interest rates to ensure an uninterrupted economic recovery. (Kasikorn Research, 2021). Rising interest rates and energy price surges could impact domestic tourist spending. (ThaiPBSWorld, 2022)

With the above-mentioned factors together with COVID-19, hospitality business is forced to rethink their core practices and adjust themselves to the challenging situation.

### **2.2.3 Sociocultural factors**

In Thailand, many households now consist of singles, childless couples, and LGBTQ couples. Birth rate starts to decline where, on the other hand, aging society starts to incline. Pet acquisition rate has been increasing due to this fact.

More and more people are starting to become pet parents rather than pet owner where they may prefer to have pet as their own child. These pet parents are willing to spend more on high quality products for their pets such as foods, accessories, toys, and pet services. As the middle class continue to rise, the demand of high-quality products and services for pets are steadily growing. (ThaiPBSWorld, 2021)

#### **2.2.4 Technological factors**

Since COVID-19 pandemic started, many hotels have evolved themselves to cope with the situation. They have enhanced guest experience by allowing more independence and convenience. New and existing technologies were used to minimize human-to-human contact, front desk check-in and check-out as well as hotel employee and guest interactions were minimized by the use of technology. For instance, The Hilton Honors app, allows guests to choose their room from a map of the hotel, check-in/check-out, open their door with their mobile phone, and have contactless entry during their stay. They also have a Connected Room platform that enables guests to avoid high-contact items like television remote controls and allows them to adjust lighting and room temperature without touching light switches or thermostats. (Pets Welcome, 2020) The use of technologies that continue to grow will encourage many hotels to enhance their services for both pets and human.

#### **2.2.5 Environmental factors**

As expected, hotels have massive needs for fuel, lighting and utilities, hotels operators now put increased pressure on the environment. Hospitality sector is now pressured by government and environmentalists to bring the issue of sustainability to their corporate agenda.

Thailand is the first country to implement UNESCO sustainable Travel Pledge nation-wide. (UNESCO, 2022) The aim is to promote sustainable tourism. A year after implementation, more than 500 hotels have signed the pledge to eliminate single use plastic and promote local culture. Hotels are requested to indicate actions they were implementing or attempt to pursue in the future. Many hotels supported local communities by either sponsoring local events or use locally available decoration to decorate their accommodations. Replacement of refreshing towels, using keyless system, reducing amenities etc. are also in part of the commitment that hotels operators pledge.

### **2.2.6 Legal factors**

There are different regulatory requirements to open and run hotels. Under the Hotel Act B.E. 2547 (2004), providing temporary accommodation is considered as carrying on a hotel business. Also, any accommodation that has more than 4 rooms or accommodate more than 20 guests must obtain a license to operate hotel. Hotel license fee is varying from THB10,000 – THB40,000, depending on type of hotel. (Herrera&Partners, 2019) Once the hotel license is granted, there will be a renewal required every 5 years.

Apart from the license, Thai national may register any form of business entity. Moreover, other required licenses should also be considered to the actual type of hotel and its business model. (Tilleke & Gibbins, 2016)

## **2.3 Five force model Analysis**

### **2.3.1 Industry Rivalry**

Within the hospitality industry, there are various type of accommodations. Figure 2.1 show the number of each type of accommodation outlet in Thailand. There are numbers of accommodation available and budget hotels as well as specific type of accommodation are increasing.

Budget pet friendly hotel with grooming and daycare service still do not exist in Thailand. Most of the pet-friendly hotel in Thailand only offered accommodation service. Also, most of these pet-friendly hotels are mainly designed and built for human lodging but due to increasing trend and demand of pet owner, they must adapt themselves to keep up with the demand. Moreover, the existing pet-friendly accommodation are expensive and having complex pet policies. Therefore, it can be evaluated that, for this category the competition still considerably low.

Pet grooming and daycare service are highly competitive as there are currently many operators that offer this type of service nationwide.

outlets	2016	2017	2018	2019	2020	2021
- Luxury and Upscale Hotels	3,444	3,607	3,744	3,856	3,908	3,934
- Mid-Market Hotels	3,003	3,312	3,535	3,741	3,805	3,862
- Budget Hotels	2,868	3,134	3,283	3,413	3,620	3,674
- Unrated Hotels	2,050	2,328	2,416	2,489	2,056	2,123
Hotels	11,365	12,381	12,978	13,499	13,389	13,593
Short-Term Rentals	63,524	78,151	95,294	95,704	88,586	89,973
- Campsites	307	315	323	331	338	343
- Hostels	2,000	2,399	2,759	3,164	3,480	3,533
- Other Lodging Types	2,326	2,499	2,606	2,639	2,717	2,758
Other Lodging	4,633	5,213	5,688	6,134	6,535	6,634
Lodging	79,522	95,745	113,960	115,337	108,510	110,200

*Figure 2.1* Numbers of lodging outlets in Thailand

Source: Euromonitor International, 2021b

### 2.3.2 Bargaining power of suppliers

The bargaining power of suppliers can be analyzed by the following aspects:

(1) For the unique design of furniture fixtures that the hotel will require to have, hotel will have less bargaining purchasing power. However, for the normal mandatory hotel items such as linen, phone, mattress, pillow etc., suppliers will have less bargaining power.

(2) General workforce to support hotel operation and services will be little challenge. According to Thai hotels association, about 68% of 118 hotels surveyed said they are short-staffed. This mainly due to the wages offered as well as the declining interest in tourism jobs. (TheThaiger, 2022)

(3) Pet groomer and caretaker required specialized skills as grooming and taking care of pet in the most safety and hygienic way is not easy. Grooming pet and ensuring that it will satisfy pet owners will be the key to success of business to both maintain and gain customer. At present, the skilled workers in this sector are very limited in numbers and are quite difficult to find. Sending a person to complete training course specialized in pet grooming and pet caretaker are also relatively expensive and still having a risk that the employee may get attractive offers from competitors. Therefore, the bargaining power of pet groomer and caretaker are very high.

### **2.3.3 Bargaining power of customers**

Type of customer can be categorized into two categories:

(1) Budget pet friendly hotel with grooming and daycare service customer. This type of customer still has limited access and offer in the market due to availability in Thailand.

(2) Customer that seek for pet grooming and daycare service will have many options as there are many operators currently available. This makes bargaining power of customers high.

### **2.3.4 Threats of substitute**

There are various type of accommodation service in the industry such as luxury hotels, Bed & Breakfasts, Boutique hotel and etc. These all have different target segment. Even though there are a wide range of options, most of these accommodation services are mainly focus on people. The number of accommodations with similar features, target group and prices are still very limited. Currently, budget pet friendly hotel with grooming and daycare service still also do not exist in Thailand. Most of the hotels currently only offer accommodation service. They are also not specifically designed and built for pet friendly. These facts make the threats of substitute considerably low.

### **2.3.5 Threats of new entrance**

As the pet humanization continue to rise, some big chain hotel operators have already adapted themselves to keep up with the consumer demand by allowing pet to lodge with the pet owner depending on each hotel pet policies. Some small-medium sized hotel operators also have the same offering. However, both players are still having a gap that could affected consumer decision such as complex pet policies, amenities for pet, furniture specifically designed for pet and so on. It would require for these operators to either renovate or construct a new building to be able to offer the same type of service and accommodation which could be quite difficult, especially for small-medium sized operators.

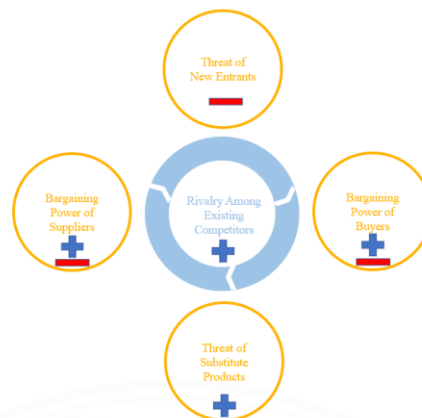


Figure 2.2 Porter's five forces analysis

## 2.4 Competitor analysis

Below table is the summary of hotel rules and regulations as well as pricing:

Table 2.1

### *Big chain hotels*

Hotels	Room Price	Pet fee per night	Rules & regulations
Four Seasons Hotels and Resorts	13,000 THB	Uncharged	<ul style="list-style-type: none"> <li>• Size - Small pets only - under 15lbs Maximum 2 pets</li> <li>• Pets must be fully trained and appropriately restrained.</li> <li>• Pets must comply with local legislation requirement.</li> <li>• Guests are responsible for cleaning up after their pets on hotel property and in the neighborhood.</li> <li>• Housekeeping arrangement must be made prior.</li> <li>• Guests are responsible for all property damages and/ or personal injuries resulting from their pets.</li> </ul>

Hotels	Room Price	Pet fee per night	Rules & regulations
			<ul style="list-style-type: none"> <li>• The hotel reserves the right to charge guest's account commensurate to the cost of such damages.</li> <li>• Pets must not be left unattended, pet-sitter is available upon request.</li> <li>• Not allowed in any food and beverages outlets, health club and pool area, except guide dogs.</li> <li>• Any disturbances such as barking must be curtailed. To ensure other guests are not inconvenienced.</li> </ul>
Sheraton Hotels & Resorts	2,500 THB	Uncharged	<ul style="list-style-type: none"> <li>• Weigh limit of 80 pounds, but GM's decision is discretion for dog with over weight limit.</li> <li>• Luxurious custom pet services and amenities.</li> </ul>
W Hotels	6,000 THB	3,500 THB	<ul style="list-style-type: none"> <li>• One pet per room.</li> <li>• \$100 non-refundable cleaning fee and \$25 fee</li> <li>• Luxurious custom pet services and amenities</li> <li>• Pet owners will be responsible for any excessive damages.</li> </ul>
Oakwood Hotel	1,900 THB	1,500 THB	<ul style="list-style-type: none"> <li>• Pet type(s) allowed: Cats, Dogs</li> <li>• Maximum pet weight: less than 5kg/60kg.</li> <li>• Number of pets allowed: 2.</li> </ul>
ibis Hotel	1,000	Uncharged	<ul style="list-style-type: none"> <li>• Pet type(s) allowed: Cats, Dogs</li> <li>• Maximum pet weight: less than 15kg</li> <li>• Number of pets allowed: 1</li> </ul>



Table 2.2

*Small-medium sized hotels*

<b>Hotels</b>	<b>Room Price</b>	<b>Pet fee per night</b>	<b>Rules &amp; regulations</b>
Hill fresco hotel Pattaya	1,400THB	500THB	<ul style="list-style-type: none"> <li>• Pet type(s) allowed: Cats, Dogs</li> <li>• Maximum pet weight: less than 60kg.</li> <li>• Number of pets allowed: 6</li> </ul>
Hermann hotel Pattaya	2,000THB	1,000THB	<ul style="list-style-type: none"> <li>• Pet type(s) allowed: Cats, Dogs</li> <li>• Maximum pet weight allowed: less than 10kg.</li> <li>• Number of pets allowed: 2</li> </ul>
Pattana Sports Resort	3,500THB	500 THB	<ul style="list-style-type: none"> <li>• Pet type(s) allowed: Cats, Dogs</li> <li>• Maximum pet weight allowed: less than 25kg.</li> <li>• Number of pets allowed: 2</li> </ul>

As evident in above table, both big chain hotels and Small-medium sized hotels are having high pricing. Both have created pet policies to customize the needs of pet owner group. Both type of accommodations also required pet fees and pet waiver signing before checking in. It can be seen and assumed that big chain hotels still focusing on non-pet owner consumers as the major source of revenue stream while maintaining the perceived image of the properties.

## **CHAPTER 3**

### **INTERNAL EVALUATION**

#### **3.1 Business Description**

Hug My Pet, pet-friendly hotel, is a business that offers daily accommodation. Hug My Pet aims to provide its services to Thai tourists and businessmen/businesswomen who are also pet-owners with medium income and require short-term pet-friendly accommodation with extra pet services as well as private, close to tourist attractions and nearby business/industrial area.

The hotel will be located in Bo Win subdistrict, Si Racha District, Chon Buri province to accommodate those individuals who have to regularly travel for either business purpose or leisure. Chonburi is one of the provinces that government have invested in to develop Eastern Economic Corridor (EEC), aiming to be a leading ASEAN economic zone. Bo Win, Chonburi was selected as a strategic location. This is mainly due to it is surrounded by industrial area. It is also nearby Rayong. Bo Win is the location that has been experiencing with tremendous growth with fast rate of urbanization and continuous expansion of residential areas (PostToday, 2018). It is a golden location for the industrial sector and has a lot of potential. It is about 30km from Sri Racha. Many of land developers have invested in many projects in this area to attract high income target customers.

Hotel will offer two types of services:

(1) Accommodation for pet owners and their pets. Hotel will have separate floors for dogs and cat owners as well as common room area for both dogs and cats. The room and furniture will be specifically designed and built to accommodate pets and human. Hotel will be a single three-story building with a parking space.



*Figure 3.1 Hotel entrance*

(2) Pet daycare and grooming service will be offered so in case the owner has to travel for business meetings they can use our service and pick up their pet later when they finished their work.

### **3.1.1 Business Name and Logo**



*Figure 3.2 Hug My Pet Logo*

Brown color is used in Hug My Pet Hotel logo as brown colors have a psychology reactions and influence of feeling warmth, comfort, secure and down-to-earth (Verywellmind, 2020). This is very much expressed the hotel characteristics where pet owner and their pets can feel like their own home. Cat and dog drawing is used to represent that the hotel can accommodate both cats and dogs. The phrase “pet friendly hotel” is also used in the logo to represent that the hotel is pet friendly and to ensure that consumer know that it is pet friendly hotel and not pet hotel.

### 3.1.2 Business Location

Hug My Pet hotel is located on an area of 1,200 sq.m in Bo Win subdistrict, Si Racha District, Chon Buri province. The details of the project are described in table 3.1. Figure 3.3 and 3.4 shows the location of Hug My Pet and its surroundings. The land area and boundary are shown in figure 3.5.

Table 3.1

*Details of the project*

<b>Building area</b>	512 sq.m. (16x32)
<b>Parking area</b>	400 sq.m.
<b>Room area</b>	28sq.m. per room
<b>Number of rooms</b>	40 rooms
<b>Number of floors</b>	3 levels
<b>Total land area</b>	1,200sq.m (approximately 10M THB land cost) (Trovit, 2022)

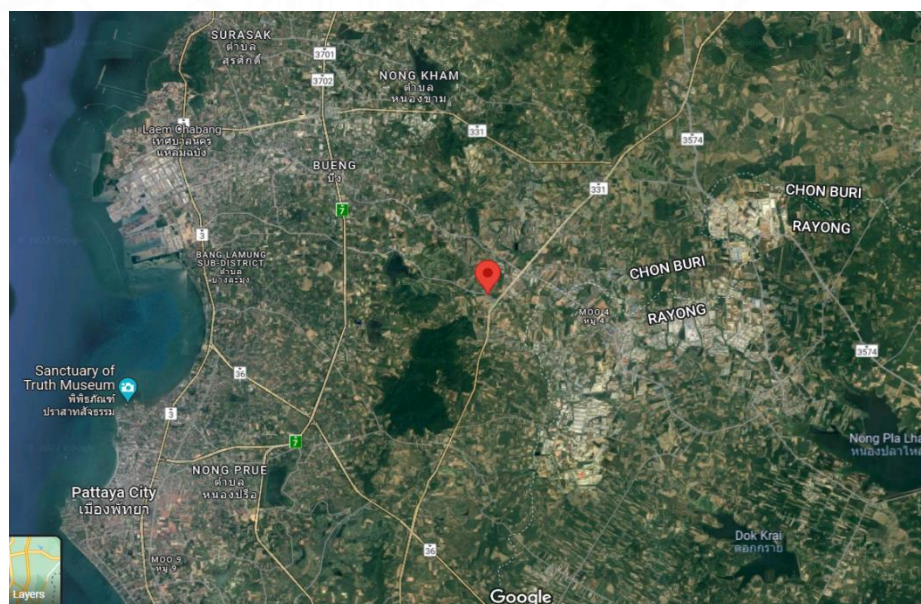


Figure 3.3 Hug My Pet location overview



*Figure 3.4 Hug My Pet location*



*Figure 3.5 Hug My Pet land area*

### **3.1.3 Distance to surroundings**

Hug My Pet hotel is located in the center of Bo Win subdistrict, Si Racha District, Chon Buri province. It is in the southern part of Si Racha district of Chonburi province neighboring to Rayong province and lined midway between Si Racha and Bang Lamung district. It has a perfect location to accommodate both leisure and business guests. Figure 3.3 provide an overview of the industrial area around hotel.

Table 3.2 provide the list of nearby places and the distance between hotel to the major attractions in Chonburi.



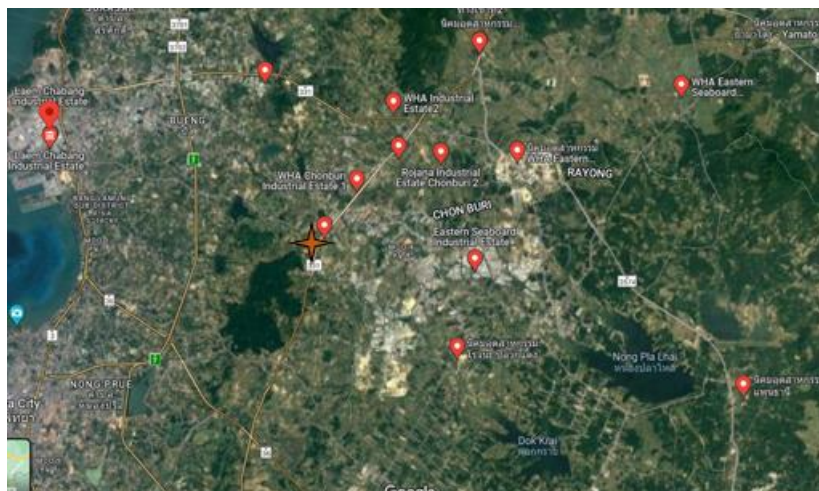


Figure 3.6 Industrial area around hotel

Table 3.2

*Distance to surroundings attractions*

<b>Shopping</b> <ul style="list-style-type: none"> <li>Robinson Lifestyle Bowin - 2.4 km</li> <li>Tesco - 2.6 km</li> </ul>	<b>Hospitals</b> <ul style="list-style-type: none"> <li>Well Care Animal Hospital Bowin - 3.8 km</li> <li>Bowin Vejchakan Hospital - 5.3 km</li> <li>Piyawetch Bowin Hospital 5.8km</li> </ul>
<b>Closest landmarks</b> <ul style="list-style-type: none"> <li>Laem Chabang Country Club- 2.9 km</li> <li>Burapha Golf Club and Resort 3.1 km</li> <li>Sriracha International Golf Club - 8.6 km</li> <li>New Glass Sky Bridge - 9.0 km</li> <li>Sriracha Tiger Zoo - 14.5 km</li> </ul>	<b>Popular attractions</b> <ul style="list-style-type: none"> <li>Koh Si Chang - 30.6 km</li> <li>Bangsaen Beach - 30.9 km</li> <li>Nong Mon Market - 31.3 km</li> <li>The Wang Saen Suk Hell Garden - 34.2 km</li> <li>Khao Sam Muk - 36.0 km</li> <li>Thepsathit Phra Kiti Chalerm Chinese Shrine - 36.7 km</li> </ul>

<b>Pet-Friendly Hotels</b> <ul style="list-style-type: none"> <li>• Pattana Golf and Sports Resort - 10.8 km</li> <li>• Hermann Hotel Pattaya – 37 km</li> <li>• Hill Fresco Hotel Pattaya – 43 km</li> </ul>	<ul style="list-style-type: none"> <li>• Pattaya city – 37 km</li> <li>• Ang Sila Old Market 133 Years - 37.8 km</li> <li>• Wat Yai Intharam Royal Monastery Temple - 38.1 km</li> <li>• Tha Ruea Phli Fish Market - 39.1 km</li> <li>• Ko Khram Yai - 47.6 km</li> <li>• Rayong city 54 km</li> </ul>
<b>Industrial</b> <ul style="list-style-type: none"> <li>• Amata city Rayong industrial estate – 1.1 km</li> <li>• WHA Chonburi industrial estate 4.2 km</li> <li>• Eastern seaboard industrial estate 5.6 km</li> <li>• Pinthong industrial estate – 14km</li> <li>• WHA eastern seaboard industrial estate – 16 km</li> <li>• Rojana Laemchabang industrial estate – 16km</li> <li>• Eastern seaboard industrial estate (Rayong) - 17 km</li> <li>• Rojana Laemchabang industrial estate – 16km</li> <li>• Laem Chabang industrial estate – 23 km</li> </ul>	

### 3.2 Vision, Mission and Goals

#### 3.2.1 Vision

To become the first flagship budget pet-friendly hotel that specifically designed and built for pets with high standard for pet parents that normally have to commute for both business and leisure purpose.

#### 3.2.2 Mission

1. An affordable budget pet-friendly accommodation with simple rules & regulations
2. Specifically designed and built for pet parents so both pet and human are comfortable and relax throughout period of their stay

3. To provide excellent services and hospitality to both human and pet to gain loyal customers

### 3.2.3 Goals

#### 3.2.3.1 Short term goals:

Establishing brand identity in the market will be focused in the first year in order to build reputation and attracting customers. Staff will be undergoing training to standardize the process and services offered to customer. Rapidly obtain feedback from customer and adjust to suit customer demands.

#### 3.2.3.2 Long-term goals:

Maintain repeated customers through loyalty program and excellent services and hospitality. In order to gain new customers, good reputation and brand image will need to be made in the market. This can be done through providing consistent quality in services and hospitality and customer-to-customer-referral. The ultimate goal of our company is to have chain branches across Thailand.

## 3.3 Competitors

### 3.3.1 Direct

Direct competitors are the small or private corporate that offer pet-friendly accommodation.

#### 1. Hill Fresco Hotel Pattaya



*Figure 3.7* Hotel Hill Fresco

Source: (HillFresco, 2020)

A chic and modern resort that provide friendly service to business traveler, families, and couples.



Type of accommodation: Hill Fresco offer 134 newly refurbished rooms and four different room types:

- (1) Superior room – 31Sq.m. size
- (2) Deluxe room – 37 Sq.m. size
- (3) Cabana room – 37 Sq.m. size
- (4) Premiere room – 45 Sq.m. size

Location: 359/109 Moo 12, Phra Tamnak Hill road, Soi 5, Nongprue, Banglamung, Chonburi 20150 Thailand. It is situated nearly Bali Hai seaport and Pattaya walking street.

Price: Average 1,400THB+500THB per pet per night

Strength: 8.1 Agoda rating. Offer basic amenities for pet e.g. pet blanket and treat

Weakness: Only dogs allowed. Limited numbers of pet-friendly room (6), pet policies not clearly indicated on website. They required customer to contact through other social media platform. Slow response.

## 2. Pattana sports resort



*Figure 3.8* Pattana sports resort

Source: (Pattana, 2022)

Type of accommodation:

- (1) Deluxe twin beds (1,705 per night) – 40 Sq.m. size
- (2) Deluxe suite king bed (4,690 per night) – 80 Sq.m. size
- (3) Villa 6 adults (4,239 per night) – 240 Sq.m. size

Location: 99/89 Moo 9 Khaokansong, Sri Racha, Chonburi, Thailand, 20110

Price: Average 3,500THB (Cats and dogs are allowed for an extra charge of THB500 per pet per night, 2 per room)

Strength: Big area with golf course and sporting facilities.

Weakness: Outdated rooms and poorly maintenance and hygiene

### 3. Hermann hotel Pattaya

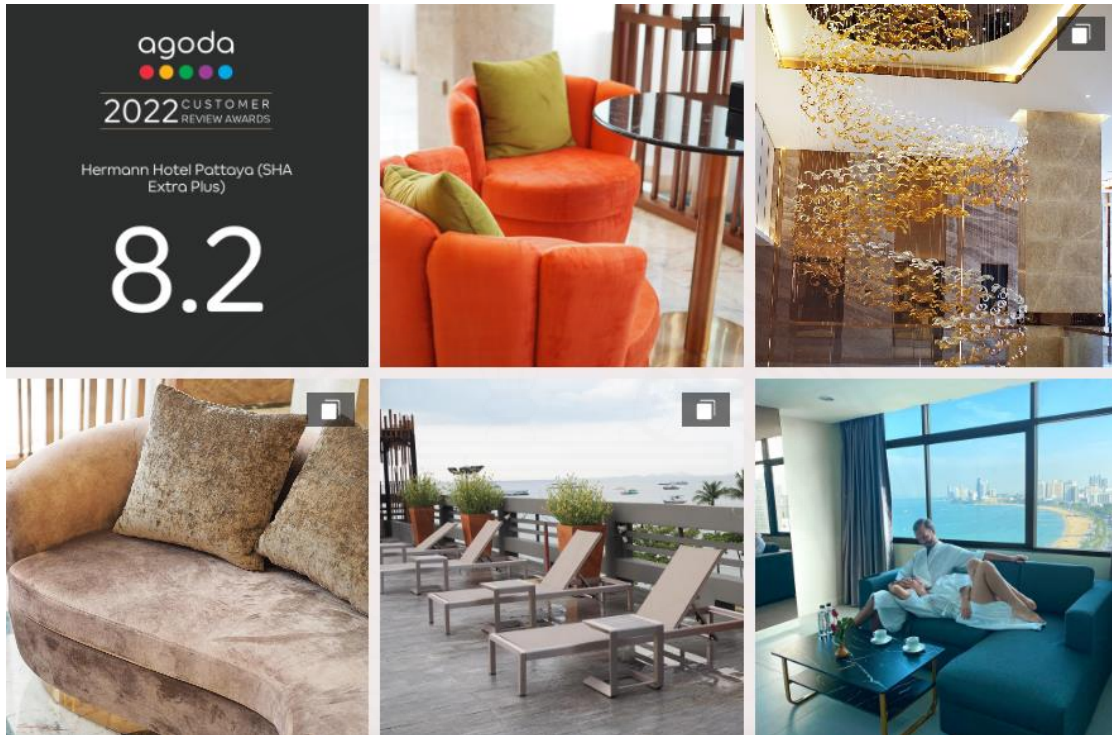


Figure 3.9 Hermann hotel Pattaya

Source: (Hermann Hotel Pattaya, 2022)

Located in city center of Pattaya, walking distance to Walking street and the beach that offered 5 forms of accommodation.

Type of accommodation:

- (1) Urban King Deluxe Room with Room Only (1,900 per night)
- (2) Urban Twin Deluxe Room with Room Only (1,900 per night)
- (3) Urban Triple Deluxe Room with Room Only (3,600 per night)
- (4) Ocean King Deluxe Room with Room Only (2,000 per night)
- (5) Executive Ocean King Deluxe Room with Room Only (2,200 per

night)

Location: 240 Village No. 10, Beach Road, Soi 12 Bang Lamung District, Pattaya, Chon Buri – 20150, Thailand.

Price: Average 2,000THB+1,000THB per pet per night

Strength: Friendly staff. High hygiene standard. Good location. Clearly defined pet policy on website.

Weakness: Relatively new hotel which still lack of experience in hotel management. Expensive pet cleaning fee.

Table 3.3

*Direct competitor analysis*

	<b>Hill fresco hotel Pattaya</b>	<b>Hermann hotel Pattaya</b>	<b>Pattana Sports Resort</b> <sup>[PE5][PE6]</sup>	<b>Hug My Pet Hotel</b>
<b>Target Customers</b>	Moderate income business traveler, honeymoon couple and family	Moderate to high income business traveler, honeymoon couple and family	Moderate to high income active and healthy guests, family, and group sport activities	Moderate income pet owner and business traveler
<b>Average room rates</b>	1,400THB	2,000THB	3,500THB	1,500THB
<b>Pet fee/night</b>	500THB	1,000THB	500 THB	0 THB
<b>Cleaning fee per pet</b>	No	1,500 THB at check-in	No	No
<b>Pet type allow</b>	Dogs only	Cats &Dogs	Cats &Dogs	Cats &Dogs
<b>Maximum pet weight allowed</b>	Less than 10kg.	Less than 10kg.	Less than 25kg.	No weight limit
<b>Room size</b>	31-45 sq.m	30-54 sq.m	40-240 sq.m	28 sq.m

Table 3.3

*Direct competitor analysis (Cont.)*

	<b>Hill fresco hotel Pattaya</b>	<b>Hermann hotel Pattaya</b>	<b>Pattana Sports Resort</b>	<b>Hug My Pet Hotel</b>
<b>Daycare service</b>	No	No	No	Yes
<b>Grooming service</b>	No	No	No	Yes
<b>Pet Zoning</b>	Between Pet owner and non- pet owner	Between Pet owner and non- pet owner	Between Pet owner and non- pet owner	Yes
<b>Basic pet amenities</b>	Food bowl, water bowl, bed, towel, and snacks	At additional cost	No	Food bowl, water bowl, bed, towel, cat litter, pee pads
<b>Breakfast</b>	Yes	Yes	Yes	No
<b>Elevator</b>	Yes	Yes	Yes	No
<b>Restaurants</b>	Yes	Yes	Yes	No
<b>Swimming pool</b>	Yes	Yes	Yes	No
<b>Fitness</b>	Yes	Yes	Yes	No
<b>Massage &amp; Spa</b>	No	In 2024	No	No
<b>Channels</b>	Walk-in, telephone, online travel agencies, direct website, email, Facebook, YouTube, Line Official	Walk-in, telephone, online travel agencies, direct website, email, Facebook, Instagram	Walk-in, telephone, online travel agencies, direct website, email, Facebook, Instagram, YouTube, Line Official	Walk-in, telephone, online travel agencies, email, Facebook, Instagram, Line Official

Table 3.3

*Direct competitor analysis (Cont.)*

	<b>Hill fresco hotel Pattaya</b>	<b>Hermann hotel Pattaya</b>	<b>Pattana Sports Resort</b>	<b>Hug My Pet Hotel</b>
<b>Strengths</b>	<ul style="list-style-type: none"> <li>• 8.1 Agoda rating.</li> <li>• Offer basic amenities for pet</li> <li>• Good location</li> </ul>	<ul style="list-style-type: none"> <li>• 8.2 Agoda rating</li> <li>• 4-stars hotel</li> <li>• Friendly staff.</li> <li>• High hygiene standard.</li> <li>• Good location.</li> <li>• Clearly defined pet policy on website</li> </ul>	<ul style="list-style-type: none"> <li>• Big area with golf course and sporting facilities.</li> <li>• Suitable for group and family activities</li> <li>• Various type of sport facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Specifically built and designed for pet</li> <li>• Simple regulation and pet policy</li> <li>• No extra pet fee charge</li> <li>• Budget hotel with competitive price.</li> <li>• Offer daycare and grooming service, suitable for business traveler and for leisure</li> <li>• Basic amenities for pet will be offered.</li> </ul>

Table 3.3

*Direct competitor analysis (Cont.)*

	<b>Hill fresco hotel Pattaya</b>	<b>Hermann hotel Pattaya</b>	<b>Pattana Sports Resort</b>	<b>Hug My Pet Hotel</b>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>• Only dogs are allowed</li> <li>• Limited number of pet-friendly rooms</li> <li>• Pet policies not clearly indicated on website.</li> </ul>	<ul style="list-style-type: none"> <li>• Expensive pet cleaning fee</li> <li>• Relatively new hotel</li> </ul>	<ul style="list-style-type: none"> <li>• Outdated rooms</li> <li>• Not properly maintenance</li> <li>• Substandard hygiene</li> </ul>	<ul style="list-style-type: none"> <li>• New business and new to industry</li> <li>• High operating costs as it will involve daily wages, maintenance, cleaning and etc.</li> <li>• For day care service, this will require a skilled workforce which may be a challenge to find</li> </ul>

**3.3.2 Indirect**

Indirect competitors are the big chain hotels that also have become pet-friendly hotels.



### 1. Oakwood hotel and residence Sriracha



*Figure 3.10* Oakwood hotel and residence Sriracha

Source: (Oakwood hotel and residence Sriracha, 2022)

Located in Chonburi that offered 458 fully furnished, well-appointed accommodations. It is a 3-star property.

Type of accommodation:

- (1) Studio Executive (2,540 per night) – 47 Sq.m. size
- (2) One-bedroom deluxe king (2,740 per night) – 51 Sq.m. size
- (3) One-bedroom premium sea view (2,996 per night) – 56 Sq.m. size

Location: Tower A, 222/2 Sriracha Nakorn 3 Rd., 20110, Sri Racha, Thailand. Located nearby Gulf of Siam.

Price: Average 1,900THB+1,500THB per pet per night (pet charge will cost 1500THB for first night (for one pet) and 500THB for second and onward day

Strength: Good services with high standard

Weakness: Good for business trip, but not adequate for leisure trip.

## 2. Oakwood Journey hub Pattaya



*Figure3.11* Oakwood Journey hub Pattaya

Source: (Oakwood Journey Hub Pattaya, 2022)

Located in central Pattaya that offered 76 rooms.

Type of accommodation:

(1) Deluxe room (1,000 per night) – 27 Sq.m. size

(2) Junior suite (2,300 per night) – 41 Sq.m. size

(3) Family suite (2,756 per night) – 55 Sq.m. size

Location: 236/21 Moo 10, Pattaya Road 2 Soi 15, 20150, Pattaya, Chonburi, Thailand

Price: Average 1,000THB + 300THB per pet per night

Strength: Good services with high standard

Weakness: Noisy location. Poor breakfast rating.

## 3. ibis Pattaya



*Figure3.12* ibis Pattaya

Source: (ibis Pattaya, 2022)



Located in central Pattaya, 5 minutes' walk from Pattaya beach that offered 259 rooms.

Type of accommodation:

(1) Standard 1 double bed (1,000 per night) – 21 Sq.m. size

(2) Standard twin beds (1,000 per night) – 21 Sq.m. size

(3) Family room (1,270 per night) – 31 Sq.m. size

Location: 463/79 Moo 9, Pattaya Second Road, Nongprue Banglamung  
20150 Pattaya, Thailand

Price: Average 1,000THB

Strength: Strategic location. Well-known chain hotels. One pet below 10 kilograms is allowed, free of charge.

Weakness: Small room. Not truly pet friendly, pets do not have freedom in public area

### 3.4 SWOT analysis of the business

Swot analysis is used to evaluate a company's competitive position in order to develop a strategic planning.

Table 3.4

#### *SWOT analysis of the business*

Strengths	Weaknesses
1. Specifically built and designed for pet 2. Simple regulation and pet policy 3. No pet fee charge 4. Budget hotel with competitive price. 5. Offer daycare and grooming service, suitable for business and leisure traveler. 6. Basic amenities for pet will be offered.	1. New business and new to industry 2. High operating costs as it will involve daily wages, maintenance, cleaning and etc. 3. For day care service, this will require a skilled workforce which may be a challenge to find 4. Location not nearby attractions 5. No elevator, breakfast, fitness, restaurant and swimming pool

Table 3.4

*SWOT analysis of the business (Cont.)*

Opportunities	Threats
<p>1. Eastern Economic Corridor (EEC) will be a hub for technological manufacturing and services with strong connectivity to its ASEAN neighbors by land, sea, and air. This will stimulate tourism and job creation in Chonburi provinces and hence more business traveler.</p> <p>2. Growing pet humanization will be the main drive</p> <p>3. Possibility to expand hotel chains to other provinces</p> <p>4. The use of technologies that continue to grow will encourage many hotels to enhance their services for both pets and human.</p> <p>5. Promote sustainable tourism with UNESCO sustainable Travel Pledge</p>	<p>1. Big chain hotels may enter this area easily if they see success</p> <p>2. Risk from the Russia-Ukraine war still remaining uncertain. Energy war must also be closely monitored.</p> <p>3. Rising in energy prices and soaring inflation in many countries worldwide has resulted in higher costs of living. This may have a negative impact to Thailand hospitality industry</p>

**3.5 Evaluation of opportunities and risk for business****3.5.1 Opportunities**

In Thailand, Pet-friendly hotels still constitute a minority in the hospitality/tourism industry. With the increasing demand and numbers of pet owner as well as lifestyle, this will drive the pet-friendly hotel business. Based on information described in this chapter, it can be identified that many current existing pet-friendly accommodations still have high price range. They are also having complex pet policies. Additional pet fees are also required before checking in. All of these could negatively

impact customer decision. Having affordable and reasonable price pet-friendly accommodation with simple policy in the market can be a good business opportunity.

### **3.5.2 Risk**

Most of big chain hotels have already adapted themselves and become pet-friendly to accommodate their rising customer demand. If big chain hotels were to invest in building specifically pet-friendly design hotel, this would not be hard for them to do so to explore in this area of business as they have capital to invest. It is expected that pets are likely to pose some problems in the rooms and common areas. Pets can damage the rooms' furniture, damage floorings and textiles. Noise from pet can also disturb other guests. Moreover, extra attention to room cleanliness may require additional staffing.



## **CHAPTER 4**

### **MARKET RESEARCH**

Market research is necessary before proceeding with the project in order to ensure that the demand of consumer is met. It is needed to assess the behavior and demand from the customers. The market research data can be used as a tool to implement proper strategic planning to differentiate Hug My Pet hotel from competitors and create a unique advantage in the market.

#### **4.1 Research Objectives**

- (1) To study consumer demands and spending behavior in the hotel
- (2) To study the factors that affect pet-friendly hotel stays
- (3) To utilize the obtained information for analysis and use the data to correspond to customer needs in order to create satisfaction for the target customers.

#### **4.2 Expected Outcomes**

- (1) To identify business opportunity and project feasibility
- (2) To identify consumer demands and behavior as well as the factors that affect the target group decision in choosing the pet-friendly hotel.
- (3) To use the obtained information for analysis and implement suitable marketing strategy planning to make a unique offer in marketplace.

#### **4.3 Research Scope**

- (1) Focusing on the pet lover spending behavior and the factors that affect their decision to use pet-friendly hotel.
- (2) Focus on studying Thai consumer that regularly travel to upcountry
- (3) Research was conducted in October and November 2022

(4) Variables, independent variables consisted of personal data and consumer behavior. The dependent variable is the decision to use pet-friendly hotel.

## **4.4 Marketing Mix Theory**

### **4.4.1 The 7Ps of The Marketing Mix**

Marketing mix involves 7Ps; Product, Price Place, Promotion, People, Process, and Physical Evidence (Booms & Bitnerr, 1981), and are used in this research. The details and explanation of each activity are described as follows:

#### **4.4.1.1 Product**

Product is a physical good or service offered to the customers that should satisfy customer's demand. It can also be a very attractive product or services that consumer believe they need it. The product should consist of unique features that differentiate itself from existing products in the market in order to meet customer needs.

#### **4.4.1.2 Price**

Price refers to the pricing strategy for products and services. This also refers to the amount of the money paid by the consumers. Pricing can reflect product's image as well as shaping your consumer's perception of the product. It is critical to carefully assess competition and pricing strategy.

#### **4.4.1.3 Place**

The important element where the target customer can find and purchase the product or receive services. The company must consider the best location where it can deliver its products and services to their target customer. The product needs to be accessible for the consumers in order to promote and motivate consumers to purchase it.

#### **4.4.1.4 Promotion**

The purpose of the promotion is to show the value of the product or services to target consumers. Promotion includes various different activities to raise awareness of the product or services to customers such as public relations, word of mouth, personal selling, advertising, direct marketing, events and etc.

#### **4.4.1.5 People**

One of the main important components that can have direct impact to product or service offered. It is crucial to have professionally trained employees in the organization with thorough understanding of the products or services offered to the consumers as this will have an effect on who satisfied customers are with the products or services they received.

#### **4.4.1.6 Process**

In order to increase business performance and efficiency, it is essential to plan processes in detail. Processes in business are critical for delivering high quality services to consumers to satisfy their needs. Operations and processes need to be smooth and seamless to improve customer satisfaction as well as to avoid unnecessary expenses.

#### **4.4.1.7 Physical Evidence**

Good physical evidence can help achieve gaining customer satisfaction. Use of visual evidence can help customers to recognize the brand and draw attention to certain quality service. For service industry, the physical evidence includes the environment presented to customers such as smells, decoration cleanliness, ambience, lighting, layout, colors and etc.

### **4.5 Primary Data Study**

#### **4.5.1 Qualitative Research**

##### **4.5.1.1 Research Methodology**

Purposive sampling method was used by the researcher. Researcher made a selection of 8 samplings. These 8 individuals are Thai males, and females, single and married who aged between 31-50 years and have pet in possession.

##### **4.5.1.2 Research Tools**

Research tools used to conduct market research is focus group interviews method and in-depth interview. Focus group interviews was conducted with three participants and in-depth interview was conducted with 5 participants. In order to obtain proper information, semi-structured questions are prepared. The questions were divided as follows:

1. General information of the informant (part I). Refer to Appendix A.

2. Focus group questions (partII). Refer to Appendix A.

#### 4.5.1.3 Participant profile

Table 4.1

*Demographics profile of participant in focus group*

Participant	Age	Sex	Education	Occupation
P1	31 years old	Male	Bachelor degree	Entrepreneur
P2	32 years old	Male	Bachelor degree	Veterinarian
P3	32 years old	Female	Bachelor degree	Corporate Employee

Table 4.2

*Demographics profile of participant in in-depth interview*

Participant	Age	Sex	Education	Occupation
P4	33 years old	Male	Bachelor degree	Corporate Employee
P5	34 years old	Female	Bachelor degree	Corporate Employee
P6	33 years old	Male	Master degree	Corporate Employee
P7	33 years old	Male	Master degree	Entrepreneur
P8	32 years old	Female	Bachelor degree	Corporate Employee

....

## 4.6 Research Results

### 4.6.1 Qualitative Research Results – Focus group interview

(1) Travel behavior, spending behavior and struggle point that limited them from traveling with pets; Informants are mixed with people who have and who have not traveled with their pets. Informants normally spent an average of 2 nights stay at the hotel, approximately 2 times a year. They mainly travel for leisure purpose and spending an average of 2,750 baht per night on average. During the discussion, when discussed about their struggle points that limited them from traveling with pets, respondents discussed and agreed that pet-friendly hotels are still limited in numbers and not easy to find. P2 stated that “When I go to upcountry for vacation, especially in remote places, pet-friendly hotels are very hard to find, I have to do many searches”. P3 also added that “pet-friendly hotels are also normally expensive”. Participants also discussed further about some factors that limited them from traveling with pets. P1 expressed his concern on leaving the pet at the hotel “I do not feel confident leaving my pet alone in the room at the hotel if in case I have to go out at non-pet-friendly place where I cannot take my pet with me”.

(2) Positive experience and the current offerings of pet-friendly hotel in the market; During the discussion, Hotel hygiene and noise was highlighted as an important factor. P1 stated that “I was impressed that despite, there were many pet lovers lodging with their pets nearby my room, but I did not hear any disturbing noise at night”. P1 also highlight the cleanliness of the room as important factor, he stated “I gave the importance of hygiene as priority and hotel that I stayed met my needs”, P2 and P3 were agreed on this. Respondents discussed about the location of the hotel and P1 mentioned that “Hotel I stayed was nearby attractions which made it easy for me to travel to nearby places” in which highlighting the importance of hotel location as positive factors. However, P2 and P3 further discussed and both of them did not give location as an important factor as P3 stated that “For me, hotel location is not critical as long as it is private and well equipped with amenities”.

(3) Negative factors that can negatively affect their stay; Generally, there were not many disappointments they have experienced. However, there were few recommendations made by the participants. Respondents discussed about the factors



that pet-friendly hotels should improve on and the points that they agreed were the bathroom area for pet, pet being on leash in public area, pet prohibited area in hotel where require hygiene and basic amenities. P2 said that “pet should be on leash at all times when I public area”, P2 and P3 agreed and added that “some pet-owners do not know their pet well and sometimes it could endanger other customer”. They have also discussed about basic amenities for pet, P1 stated that “There were no basic amenities provided for my pet, I had to bring everything by myself, it would be nice if hotel can provide them”, P2 and P3 agreed. They further discussed on pet fee highlighting that they had to pay extra pet fee for the pet as P1 that “I had to pay extra 500-1,000 THB per night for my pet, it would be ideal not to pay for this”, other respondents agreed on this. The group discussed on pet daycare services being essential in pet-friendly hotel as some places outside of hotel are still not pet-friendly which makes it difficult for them to manage their pets while on leisure travel, P1 stated “It would be ideal if hotel can offer pet daycare as sometimes, we wanted to go to restaurants but some restaurants do not allow pet to enter” P2 and P3 added that “if hotel can offer daycare service then we do not have to worry about our pet safety and we can go to the places as we wish”. P3 also added that “When travel with pets, I have to arrange many things such as food bowls, water bowls, pee pads or even cat litter which are not very convenient”

(4) Critical points that can influence customer decision in lodging with pet-friendly hotel; Room cleanliness was the top important factor. Hotel pet friendly factors and customer review as well as safety were also discussed. Regarding the room cleanliness discussion, P2 highlights the importance of room hygiene stated that “There are many contagious diseases within the pet and therefore hotel should be very clean”. P3 agreed and added that “Hotel should have proper procedures of cleaning method to gain customer confident”. In terms of making decision, respondents use customer review to analyze and evaluate their decision to stay according to past customer experiences as P2 highlighted that “Customer review influence my decision to stay”. P3 also raise the importance of the use of furniture material by stated “The material of furniture used at hotel should also be pet-friendly”, P2 further add on that “the furniture should be well thought to avoid damage to furniture caused by pet, so customer do not have to pay damage charges as week as preventing possible injury to pet”. Respondents further discussed on pet safety and all respondents highlight the importance that pet-

friendly hotel should thoroughly think about safety factors and pay attention to details to safeguard customer's pet as P2 stated that "Hotel should have knowledge with pets as to what material should be used and what plants should not be grown in the hotel area as some plant can harm pets". P1 and P3 were surprised by this statement as other respondents were also not aware of this fact and they agreed on this.

(5) The important factors that customer consider when they are going to make decision to stay with pet-friendly hotel; Informant still highlighted the importance of room cleanliness and reasonable pricing. This point was well addressed by P2 stated "Room hygiene is my priority as I and my pet do not want to get sick nor get disease in a dirty environment. Also, pet-friendly hotel should have more reasonable pricing as most pet-friend hotels are still expensive" They have also highlighted on privacy and soundproof features of the room. P1 mentioned "When I go on leisure trip, I want to be relaxed and do not want to be disturbed so I can spend quality time with my family and my pets and therefore hotel should be in private location as well as having soundproof room feature to ensure that guests are well rested". Additionally, respondents discussed on hotel offerings and raise that pet-friendly hotel should not only offer accommodations but also offer other pet services. P3 said "Hotel should offer pet daycare and pet grooming services to accommodate pet-owner needs". P2 further added that "In case of emergency, hotel should have local contact of veterinarian". P3 also suggested that hotel should offer basic amenities for pet as she stated that "For cat owner, it would be helpful if hotel can include cat litter box within the room as it is not easy to carry cat litter box during travel trip"

(6) Ideal pet-friendly hotel in customer' perspective with 7Ps component; Informants have shared various perspective. It was agreed among the group that hotel should have soundproof room, good hygiene standard, simple pet policy with no additional cost, customer should present their pet vaccination certificate upon check in, separate dogs and cat zone. This was well captured by P1 during the group discussion stated "Besides having good hygiene standard and soundproof room features as a factor required in pet-friendly hotel, pet policy should be simple and should not have any hidden cost. Moreover, hotel should consider asking for pet vaccination certificate as that would make me feel more secured that hotel have high hygiene standard. Hotel should also be located in private location and have separate zoning for

cat and dog owners”. During group discussion, participants addressed that hotel should have simple booking process and clearly defined payment process as well as many options for payment method as mentioned by P3 “Check-in and check-out process should be simple, and hotel should clearly defined payment and deposit method. Moreover, various payment option should be made available so I do not have to worry about the payment” Attractive promotion can also impact on their influence to stay in hotel as stated by P2 “If hotel have an attractive promotion, I will try to save the cost where I possibly can. Loyalty program would also be beneficial as it helps me save money”. When discussing about the staff at hotel, they agreed that staff should be pet lover and have basic knowledge with pets. In terms of security, having security guard would make them feel more secured. Discussing this, P3 said “Staff should ideally be pet lover and should have basic pet knowledge. Also, having security guard is a must as that would make me feel more secure when staying at the hotel”. P2 again highlighted the importance of furniture use as stated that “Pet-friendly hotel should not be only an accommodation that allow pet to enter and spend night with the owner, but it should also have other pet-friendly factors such as furniture should be pet-friendly”

(7) Feedback on Hug My Pet Hotel; Overall, informants are impressed with the ideas as they agreed that the hotel offerings, features, pricing, meet their needs. Discussing this feedback P1 stated “Hug My Pet has an attractive pricing for pet-friendly hotel type of accommodation. It also meets many of my needs, more than other pet-friendly hotel that I know of. Moreover, its current offerings do not only addressed demand for leisure traveler but also people who often travel for business purpose”. Participants stated that they will try out if they have chance as P2 stated “I would definitely try out if this hotel is available. It is also not too far from Bangkok, only 2 hours away”

#### **4.6.2 Qualitative Research Results – In-depth interview**

##### **(1) Travel behavior**

In general, the sample group take their pets for travel and leisure purpose. They would normally spend 2-3 days at hotel that has a range of average 1,500-3,000 bath per night. Majority of them have to pay extra pet fee ranging from 300-1,000 THB. Also, the province they have traveled to are the provinces located 2-3 hours from Bangkok.

“I regularly have to visit my hometown in upcountry once a month. I normally take my pet with me during travel. When I am on leisure travel with my cat, I usually spend 2 nights at hotel and spent about 2,000 THB per night” (P4)

“I regularly take my 2 dogs with me on leisure travel once every 6 months but in between I also take them back to my hometown once a month. When I am on leisure travel, I usually spend 2 nights at hotel and spent about 3,000 THB per night including pet fee that I had to pay” (P5)

“I normally take my 3 dogs with me on leisure travel 1-2 times a year. When I am on leisure travel, I usually spend 2 nights at hotel and spent about 2,300 THB per night including pet fee that I had to pay” (P6)

“I have 6 dogs in possession. I take my dogs with me on leisure travel 2-3 times a year. When I am on leisure travel, I usually spend 2-3 nights at hotel and spent about 3,000-3,500 THB per night. Pet fee at each hotel is vary ranging from 800-1,000 per night per pet” (P7)

“I have 7 cats in possession. I have taken my cat only on a road trip once but never stayed in the hotel as my cats are used to staying at the house.” (P8)

## (2) Problems/Factors that limited traveling with pets

The problems and factors encountered by the sample group include the limited number of pet-friendly hotel, most of pet-friendly hotels are costly and if they want to go to restaurants nearby and that particular restaurants do not allow pet, they will have to change restaurant as all pet-friendly hotel do not offer daycare services. Sample group stated that it would be ideal to also have pet daycare facility within the hotel.

“Current Pet-friendly hotels are quite expensive and quite difficult to find especially in upcountry provinces and so I normally try to find the normal hotel and sneak my cat in” (P4)

“It would be a good option if pet-friendly hotel can offer daycare service as some of the places such as restaurant or café do not allow pet to enter” (P5)

“If hotel can offer grooming and daycare service, this would give me opportunity to relax and go to any place I wish” (P6)

“Most of the hotel I have been to don’t normally accept pet, but they will allow pet to enter with an extra pet fee and cleaning fee which are very expensive” (P7)

Common issue found in the sample group interview was also hygiene in pet-friendly hotel; some hotels do not have good standard cleaning procedures and so the room cleanliness was not up to standard.

“There were some pet-friendly hotels that I have stayed in and I would never go back to that hotel because there poor hygiene. I believe it has to do with their poorly designed furniture where there were quite a few hard-to-reach surfaces that limited housekeeper to clean thoroughly. I found dog poop behind the bed.” (P5)

“There was a pet-friendly hotel I have stayed in that the cleanliness was not up to standard, I could smell the urine from the pet. They may not clean it thoroughly. Some of them I also found the used pee pad still left in the room.” (P6)

(3) Factors that influence decision to stay with your choice of pet-friendly hotel

Overall, the main factors that influence sample group’s decision to stay in pet-friendly hotel include cleanliness of the room, reasonable price, customer reviews, location, privacy, and room design.

“For me, location of the hotel must be close to my attraction destination. Hotel must be clean and have reasonable price. I normally searched and look at customer reviews and make a decision based on all these factors.” (P4)

“As I live in Bangkok, hotel should not be further than 3 hours drive as my pet can be stress if traveling too long. I read customer review first before I make decision. Hotel should have reasonable pricing, ideally, should not exceed 3,000THB including the pet fee. It must be safe for pet.” (P6)

“Some hotels I have stayed in called themselves pet-friendly hotel just by the name but in real situation, there is nothing being pet-friendly with the hotel.

Since I now learnt from my experience, I look at customer reviews first to see if they are truly pet-friendly hotel. I also look at their pet policy as well as pet fee charge per night as some charge pet fee at ridiculous price.” (P7)

They further highlighted the importance of cleanliness and safety for their pet. Hotel should have high standard cleaning procedures to ensure that there will be no contamination or disease spreading from past user to new customer.

“I, as a cat owner, the hygiene of the room comes first. Some cat diseases are contagious and deathly, and I do not want to have any risk with my cats.” (P8)

Furniture and plantation should also be carefully considered as some furniture can be easily damaged by the pet. Some furniture also has hard-to-reach surface that can allow contaminants to build over time. Some plantations can also harm the pets.

“Ideally, furniture design must be suitable for pet as well as ease of cleaning, even the color paint use on it should also be pet-friendly” (P5)

(4) Marketing mix factors that are ideal for the sample group and will affect the decision to use pet-friendly hotel are as follows:

- Room and facilities

Sample group commonly highlighted that room hygiene is the most important factor as it would directly impact the owner and pet’s health if the room is not having good hygiene standard. Room should also equip with well pet-friendly design furniture to maintain good hygiene and allow ease of cleaning as well as preventing the pets from injury. Hotel should also have separate zone for cats and dogs in order to ensure that their pets are not suffering stress and to avoid unnecessary fight between two species. Having daycare facility would also be an advantage.

“Besides having privacy location, hotel should have soundproof room feature as well as well-designed such that it is easy to clean. For instance, furniture should be located and designed in a way that it minimizes hard-to-reach surface to allow

ease of cleaning. Moreover, hotel should have drop-off zone in front of hotel as pets have a lot of accessories to bring with. Separate zoning between cats and dogs are also a must as I am afraid that my dogs may chase after cats if encountered.” (P4)

“Hotel should consider the material use on furniture, it should be also pet-friendly and should be easy to clean. Moreover, hotel should have separate zone for pet-owner and non-pet owner, not everybody loves pet. Having separate zone between cats and dogs would be an ideal as cats can easily get stressed. For dogs, they should be on leash at all times. Having a daycare service would be an advantage as so far that I know, none of the pet-friendly hotels I had been to have it and sometimes I think it would be beneficial to have that so I can go to places where they do not allow pet to enter.” (P7)

“For truly pet-friendly hotel, design and use of furniture must be well thought and have pet-friendly factors. Furniture must be durable, so they are not easily damaged. I, as a cat owner, I would prefer for hotel to have separate zoning as my cat can get stressed easily even just from the smell. It would be ideal if hotel can offer daycare services as I do not want to leave my pets in the room alone.” (P8)

- Price

The sample group have mainly taken their pets for leisure purpose. Price is one of the main factors that play an important role in their decision to stay in pet-friendly hotel. Sample group tend to stay in the hotel with an average price of 2,250 THB. However, most of them are willing to pay more if the room and facility of the hotel features are reasonable. On the other hand, if there is a business hotel, where they can travel and work with their pets, they wanted to see lower price average as they will be spending some period of time at the hotel. On an average, they would like to see the pet-friendly price ranging from 1,500-2,500THB

“In my view, 2000THB per night is reasonable price. The pet fee per night should not exceed extra of 500THB. Nevertheless, if hotel offer good facility and good quality of the room, I do not mind paying more.” (P4)



“When I go on leisure travel with my pets, the price range I am looking for is between 1,500-2,500THB with the extra pet fee per pet not exceeding 300THB. However, if I were to bring my pet with me on a business trip, I would like to see a lower price as I may have to spend few days at the location and at present, most of pet-friendly hotels are still expensive.” (P5)

“For me, hotel nightly charge should be an average of 2,500 THB per night. Pet fee per night can also be included but ideally, hotel should state their pet-policy and pet fee clearly” (P7)

- Location

Location is one of the main factors when sample group making decision to stay in pet-friendly hotel. For leisure travel, they would want to have hotel in the location nearby attractions that they are going to visit. For business travel, they often choose the hotel that is nearby the workplace or the hotel that have an easy access to daily needs.

“Location should not be further that 3 hours drive from Bangkok. It should be nearby either beaches or other attraction where I can take my pet for activities. For business travel, location is not so critical as long as it is nearby the final destination and have reasonable pricing” (P6)

“For leisure travel, I always like to take my dog for outdoor activities so nearby the beach would be my preference. Having a pool where my dogs can go for a swim would also be an advantage. For business trip, if I were to take my pets with me, I would want to have hotel where they can take care of my pets when I have to go out for customer meetings.” (P7)

“For me, the location does not really matter as long as it is private. I only want to relax and stay in the hotel during my leisure trip. For business trip, I would be more cautious with the price as I may have to stay for few days.” (P8)



- Distribution channels

Generally, most of the informants had searched and planned in advance before they are going to take their leisure trip. They normally use Google Maps to first find the hotel nearby their destination then look up the hotel in Google and would eventually contact directly to hotel for reservations. Some also used Agoda to compare the price difference and choose the one that offer the best deal.

“I first look up nearby hotels that is close to my destination then either use direct booking of Agoda” (P4)

“I use many sources, but I normally start with google maps, look at the hotels surrounded by my destination. I then looked at Facebook group page, Pantip, and blog review as well as Agoda review then make a booking in OTAs or direct booking depending on price offering” (P5)

“I first use search engine to look up hotels nearby the area I wanted to go. I then use direct booking with hotel to ensure that I can bring my pets with me as some of the hotels that called themselves as pet-friendly but when I took my dog there, sometimes they do not allow, or I have to pay much extra more than what they have specified in OTAs” (P6)

- Promotion

Informants have expressed that hotel promotion do not have a big impact on their decision as they mainly find information and do price research by themselves. They normally have an acceptable price range in their mind. However, some of the informants would like to see a lower price inclusive of pet fee.

“Promotion does not really have an impact for me. As long as it addressed all my needs and nearby the destination I want to go, I am willing to pay without promotion” (P4)

“Hotel promotion is a plus if they can offer, especially if they can offer special price if I were to bring all my dogs as pet fee per night is not cheap.” (P6)

“Hotel can either offer promotion or same price but add on services such as discounting on other hotel services” (P8)

- People

Commonality of responses from the interview were emphasized on the knowledge and service-mind of the staff. The staff should ideally be a pet-lover and have basic knowledge on cats and dogs. Moreover, the housekeeping staff should also be detailed oriented. Housekeeping should always ensure that the room is thoroughly clean and sanitized before handing over to next customer.

“Hotel staff in pet-friendly hotel should ideally be pet lover and have basic knowledge on pets in terms of how to handle them or even how to do first-aid on them. Housekeeper should pay attention to details when cleaning and must know which cleaning product to use for thorough cleaning and sanitation.” (P5)

“Pet-friendly hotel staff should, no doubt, be a pet lover and have knowledge on pets” (P6)

“Hotel employee should basically love pet to start with and should not be afraid of pets when having to handle. This should be hotel requirement when recruiting staff. Housekeeper must also be trained such that they clean the room thoroughly before giving the room to next customer.” (P7)

- Process

Most of the informants have experienced some of the pain point when dealing with hotel process. Some have to pay full amount in advance before check-in. Some was charged with 3% transaction fee when credit card was used. It is ideal to have simple hotel process where they can check-in and check-out with various payment method.

“Hotel processes should be as simple as possible, and it should accommodate various type of payment method. I had an experience where I was charged with extra 3% transaction fee when I paid with my credit card and I think that is not acceptable.” (P4)

“Nightly room charges should include everything in ideally, it should not have any extra fee or any hidden cost that are not specified in policy. Various payment options should be made available.” (P6)

“Hotel should clearly defined pet policy, pet regulation and hotel regulation to clarify all charges that may incur during stay. Some pet-friendly hotel I have been in are having too difficult of the processes such as they first have to see pet to determine if the particular pet is allowed or even have to weight them to charge pet fee. Ideally, payment method should be contactless and have various options.” (P7)

- Physical Evidence

From the interview, it was found that they would like to see pet friendly hotel with pet-friendly furniture. For instance, the furniture should be made out of the material where dog and cat cannot chew on, the electrical socket should be at certain height where pets cannot reach, the paint color should be safe for pets and the furniture structure should be well designed with minimum hard to reach surface to allow ease of cleaning.

“Besides just allowing pets to stay in the hotel is not only factor being pet-friendly hotel, use of pet-friendly furniture and having the layout in a way that the pet is safe must be considered such as having appropriate height of electrical socket where pet cannot reach, curtain should not be too long where pet can pee on, and etc.” (P5)

“Room design and use of furniture should be in a way such that it is safe for pet and also allow ease of cleaning to ensure pet safety and to avoid cross contamination between pets” (P7)

“Furniture should be durable, so customer don’t always have to pay for damage deposit. Laminated floor can get easily damaged with scratches. Every surfaces and material in the room should be easy to clean to ensure good hygiene standard.” (P8)

- Feedback on Hug My Pet Hotel

Respondents have expressed that Hug My Pet hotel would be an interesting pet-friendly hotel option as it responded to many of the pet owner needs.

“Hug My Pet hotel addressed many of my concerns that I addressed earlier, and I would definitely become one loyalty member” (P4)

“Every features and services addressed all my needs. Good pricing and services offer.” (P8)

Price offer is attractive. Design, furniture, and layout ideas would help comforting pet owner as it response to the pain point and their concern on hygiene and safety. Pet zoning is one feature of the hotel that currently do not exist in existing pet-friendly hotel and having this feature would attract more pet owners. Daycare service will definitely one of the services that they will use as some places still do not allow pet to enter. Overall, the informants are keen to travel with their pets and use accommodation and services at Hug My Pet hotel.

“Hug My Pet hotel have all the standards that I am looking for. Additionally, it also has services such as day care and grooming that existing pet-friendly hotel still don’t have. This would really serve my need as some of my pet have a personality that is quite hard to handle and if there is this type of hotel available, I would be taking my pet with me all the time during my business trip as I do not want to stay at home alone.” (P5)

“I would definitely use Hug My Pet and its services as this meet a lot of my needs. I would even take my pet when I am on business trip as hotel have daycare services to accommodate this as well, where I do not leave my pet in the hotel room all by themselves. The pricing is also reasonable, and I can reimburse this with the company.” (P6)

“The concept of the hotel from the design, use of furniture, pricing, services and so on really interesting as all of the pet-friendly hotels I have been to still do not have this type of offerings. I would definitely become one of the customers. Moreover, I can only control my budget as there is only one standard price. Daycare services offer also address my need and this would increase the chance of me taking my pets during business trip as I would love to bring my pets with me all the time where I possibly can.” (P7)

### 4.6.3 Qualitative Research Summary

From the focus group interviews and in-depth interview of the pet owner group, according to the details of the informants, the results of the research are summarized as follows:

Table 4.3

#### *Qualitative Research results*

Topic	In-Depth Interview	Focus Group interview
<b>Travel behavior</b>	<ul style="list-style-type: none"> <li>Leisure: Travel with their pet and family. Average length of stay is 2 nights.</li> <li>Business: Travel alone. Average length of stay is 1-2 nights.</li> </ul>	<ul style="list-style-type: none"> <li>Informants normally spent an average of 2 nights stay at the hotel, approximately 2 times a year. They mainly travel for leisure purpose and spending an average of 2,750 baht per night on average.</li> </ul>
<b>Problems/Factors that limited traveling with pets</b>	<ul style="list-style-type: none"> <li>Limited numbers of pet-friendly hotel</li> <li>Pet-friendly hotels are not easy to find</li> <li>Need to pack up many basic pet travel kits e.g. pee pads, food bowl, water bowl, cat litter and etc.</li> <li>Pet-friendly hotel are costly</li> <li>Hotel do not have daycare services</li> </ul>	<ul style="list-style-type: none"> <li>Hotel hygiene and noise was highlighted as an important factor.</li> </ul>

Table 4.3

*Qualitative Research results (Cont.)*

Topic	In-Depth Interview	Focus Group interview
<b>Factors that influence decision to stay with your choice of pet-friendly hotel</b>	<ul style="list-style-type: none"> <li>• Hygiene and cleanliness</li> <li>• Location</li> <li>• Attentive staff and knowledge with pets</li> <li>• Reasonable prices</li> <li>• Hotel pet policy</li> <li>• Customer reviews</li> <li>• Security</li> <li>• Quality of furniture</li> <li>• Room and noise environment</li> <li>• Pet-friendly factors</li> </ul>	<ul style="list-style-type: none"> <li>• Few recommendations made by the participants were pet needs to be on leash in public area, basic amenities should be available, should not have extra pet fee, hotel should offer pet daycare</li> </ul>
<b>Room and hotel facilities</b>	<ul style="list-style-type: none"> <li>• Room hygiene , room quality and price were the primary important factor</li> <li>• Privacy and soundproof room were the secondary factors</li> <li>• Daycare, grooming services and basic amenities for pets can be found as advantages</li> </ul>	<ul style="list-style-type: none"> <li>• Room hygiene, pet friendly factors (e.g. furniture, plantation) customer review and hotel safety were highlighted in the discussion</li> </ul>
<b>Price</b>	<ul style="list-style-type: none"> <li>• 1,500-2,500 THB is the acceptable price range for pet-friendly accommodation</li> </ul>	<ul style="list-style-type: none"> <li>• 1,500-3,000 is an acceptable price range among the group. Extra pet fee should be excluded</li> </ul>

Table 4.3

*Qualitative Research results (Cont.)*

Topic	In-Depth Interview	Focus Group interview
<b>Location</b>	<ul style="list-style-type: none"> <li>Leisure: Privacy and nearby restaurants</li> <li>Business: Close to workplaces and nearby restaurants</li> </ul>	<ul style="list-style-type: none"> <li>Hotel should also be located in private location and have separate zoning for cat and dog owners</li> </ul>
<b>Distribution channels</b>	<ul style="list-style-type: none"> <li>Mainly use search engines to search for pet-friendly accommodation to find hotel information and compare prices</li> <li>OTAs and direct hotel bookings are used</li> </ul>	<ul style="list-style-type: none"> <li>Agoda, direct hotel booking, and Facebook group were mainly used</li> </ul>
<b>Promotion</b>	<ul style="list-style-type: none"> <li>Leisure: Offer activity within hotel package</li> <li>Business: Loyalty program; 10 nights free one night, use point for discount</li> </ul>	<ul style="list-style-type: none"> <li>Attractive promotion, would help them making decision quicker and. Loyalty program would also be beneficial as it helps me save money</li> </ul>
<b>People</b>	<ul style="list-style-type: none"> <li>Staff should be pet lover</li> <li>Staff should have basic knowledge with pets</li> <li>Friendly and attentive staff</li> </ul>	<ul style="list-style-type: none"> <li>Staff should ideally be pet lover and should have basic pet knowledge.</li> </ul>

Table 4.3

*Qualitative Research results (Cont.)*

Topic	In-Depth Interview	Focus Group interview
<b>Process</b>	<ul style="list-style-type: none"> <li>• Should have a simple booking and check out process</li> <li>• Should take every type of paying method</li> <li>• Should clearly define paying method and deposits</li> <li>• Should have a clearly defined pet policy</li> </ul>	<ul style="list-style-type: none"> <li>• Participants addressed that Hotel should have simple booking process and clearly defined payment process as well as many options for payment method</li> </ul>
<b>Physical evidence</b>	<ul style="list-style-type: none"> <li>• Good room design</li> <li>• Private location</li> <li>• Furniture should also be pet-friendly e.g. no sharp points, pets cannot bite or chew on. Paint color should be safe for pets and the furniture structure should be well designed with minimum hard to reach surface to allow ease of cleaning.</li> <li>• Should have security guard in case of emergency</li> <li>• Should have local veterinarian contact</li> </ul>	<ul style="list-style-type: none"> <li>• Presence of security guard and the use of pet-friendly furniture were highlighted</li> </ul>
<b>Feedback on Hug My Pet Hotel</b>	<ul style="list-style-type: none"> <li>• Reasonable and attractive pricing</li> <li>• Having daycare and grooming services addressed the pain points that limited customer from traveling with pets</li> <li>• Chonburi is not too far from Bangkok and can travel during weekends</li> <li>• Providing basic amenities for pets addressed pain points of having to bring it themselves by customers and makes it more convenient</li> </ul>	<ul style="list-style-type: none"> <li>• Respondents have expressed that Hug My Pet hotel would be an interesting pet-friendly hotel option as it responded to many of the pet owner needs.</li> </ul>



## **CHAPTER 5**

### **MARKETING PLAN**

Based on the obtained research results from focus group interview and in-depth interviews in Chapter 4, appropriate marketing strategies can be implemented to meet the needs of the customers.

#### **5.1 Target Market**

##### **5.1.1 Primary target**

Thai tourist aged 25-44 with income high than 30,000 baht. Majority of them are corporate employees who normally travel with their companion animal, family and friends on weekends or vacations for leisure purpose. This group normally find hotel information through online channels such as OTAs, Facebook, Search engine and make price comparison as well as reviewing customer reviews. They usually spend 2 nights per trip with an average ranging from 1,500-3,000 Baht per night. This group usually spend most of their time in the hotel with their pet and their family. They also normally go out to nearby or popular restaurants in the area.

##### **5.1.2 Secondary target**

Company employee and entrepreneur aged 31-40 years earning 30,000 baht or more. They mostly either travel alone or with colleagues for business purpose or visiting their hometown on monthly basis. They normally spend 2 nights with an average hotel fee ranging from 1,500-3,000 Baht per night. Most of them can claim the nightly hotel expense with limited budget but due to limitation of budget pet-friendly hotel, they could not bring their pet along with them during the trip. Also, some people who are single and normally have to commute to work in upcountry wish to bring their pet with them if the hotel have good pricing. This group usually seek for standard room with basic amenities so they can stay overnight with their pet.

## 5.2 Market Positioning

Market positioning is used to create an identity of the hotel within the target customers' minds. It helps indicate how Hug My Pet Hotel differentiate from other competitors.

Direct competitors such as Hill Fresco hotel Pattaya, Hermann Hotel Pattaya, Pattana Sports resort can be compared with Hug My Pet [PE7][PE8]Hotel as they have similar target customers. In order for Hug My Pet to differentiate itself from direct competitors, a perception diagram must be made to compare with its direct competitors. Two of the main factors affect customer decision when choosing hotels that can be used to compare are price and pet friendly factors. Pet-friendly factors are the factors that the hotel concern and focus on pets rather than pet owner such as pet fee per night, design and use of furniture for pets, extra cleaning fee, type of pet allow, maximum weight of pet, basic pet amenities and pet zoning.[PE9]

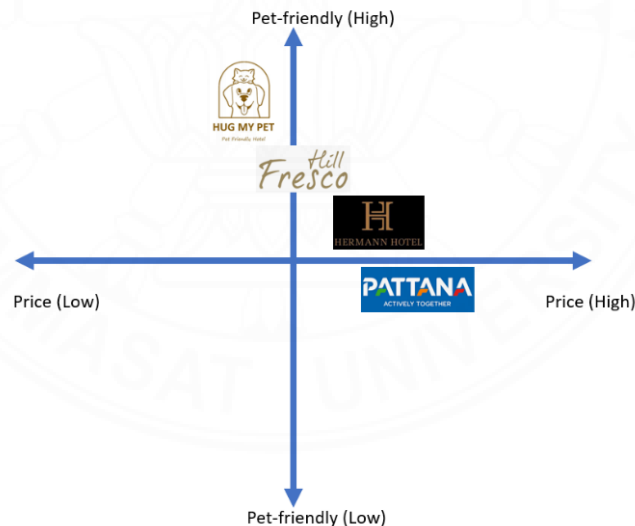


Figure 5.1 Market positioning comparing price and pet-friendly factors

From market positioning diagram shown in figure 5.1 above, it can be seen that Hug My Pet hotel have the differentiation point being more pet-friendly and have a cheaper accommodation price when comparing to its competitors. Hill Fresco Hotel despite having lower average nightly rate but when including pet fee per night, it comes to an average of 1,900 THB per night if considering only one pet, where Hug My Pet

hotel is only at 1,500 THB per night. This makes Hug My Pet hotel the cheapest choice.<sup>[PE10]</sup>

In terms of pet-friendly aspect, this consider the pet-policy, grooming and daycare services as well as the furniture that specifically built to be pet-friendly. When comparing with direct competitors, Hug My Pet are more focused in the pet-owner and being pet-friendly whereas, other hotels are still more reliant on non-pet owner target. In addition, when comparing in price aspect, if considering other pet fee, Hug My Pet Hotel in overall have a cheaper price when comparing to direct competitors.

### 5.3 Marketing mix

#### 5.3.1 Products and services

There are total of 3 levels in the hotel. The ground floor will be the lobby with reception at main entrance. This floor will be having dog and cats day care and grooming services as well as the common play area. These rooms will be separated between cats and dogs to ensure their comfort during stay. The ground floor can accommodate owner who have both cats and dogs. The second floor will be only for dog owner. The third floor will be specifically for cat owner.

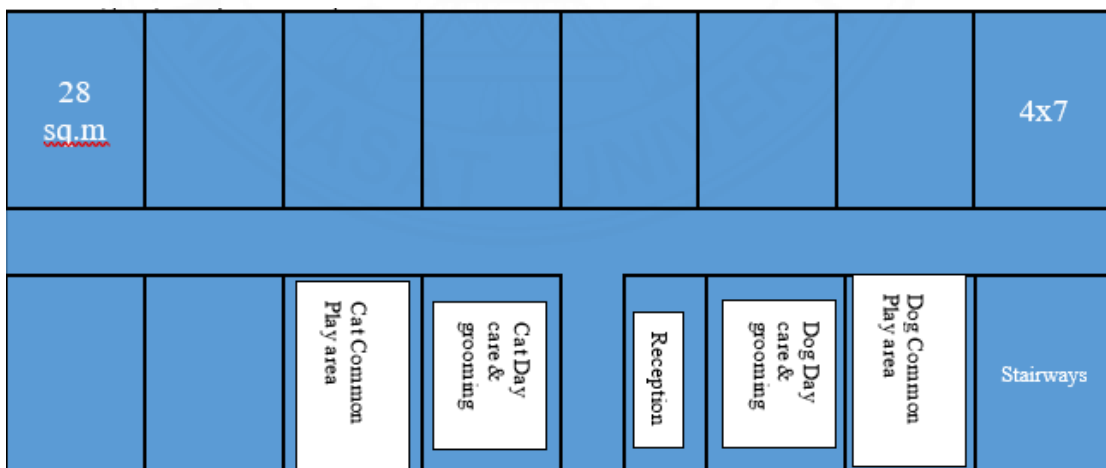


Figure 5.2 Building layout (1<sup>st</sup> floor)

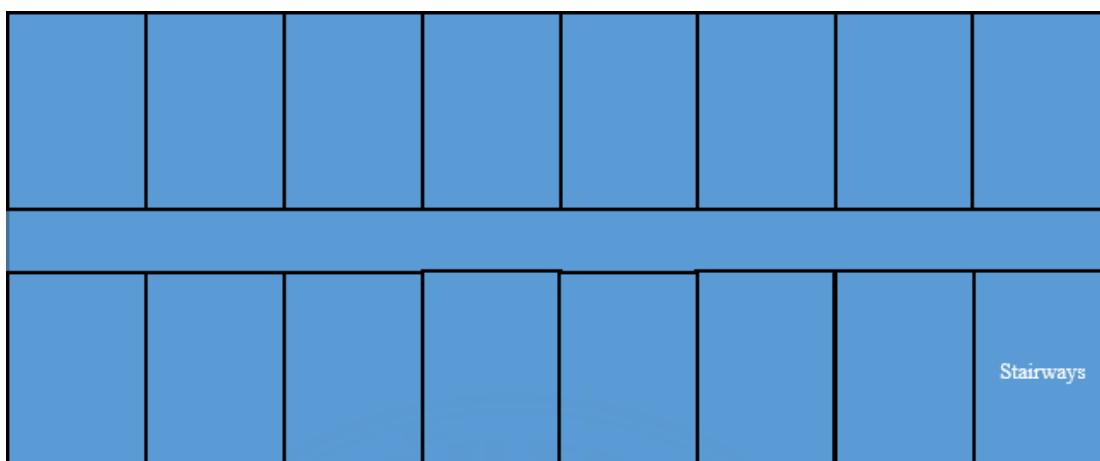


Figure 5.3 Building layout (2<sup>nd</sup> & 3<sup>rd</sup> floor plan)

Table 5.1

*Floor details*

Floor	Details
<b>1<sup>st</sup> floor (inside building)</b>	Reception, Cat & Dog daycare and grooming, Cat & Dog common play area, 10 rooms mixed use function
<b>1<sup>st</sup> floor (outside)</b>	Outdoor parking space that can accommodate approximately 32 cars (12.5 sq.m. per car)
<b>2<sup>nd</sup> floor</b>	15 rooms for dog owner
<b>3<sup>rd</sup> floor</b>	15 rooms for cat owner
<b>Room area</b>	28sq.m. per room

Hotel services

The services that pet owner and pets can receive are as followings:

(1) Accommodation

- Our reception is open 24/7 with staff
- Human snacks, beverages and instant meals are available for

purchase at reception.

- Pet food, snacks, litter, pee pads, toys are available for purchase at reception.

(2) Common play area

- Open from 9AM-6PM (soundproof)

(3) Day care and grooming service

- Open from 9AM-6PM (soundproof)

(4) Emergency medical service

- In case of emergency, hotel will have a veterinary clinic contact available 24/7.

(5) Security

- Besides CCTV camera installed throughout the hotel, hotel will also have security guard.

### Room details

There are total of 40 rooms in the hotel. Each room will have an equal size of 28sq.m. per room. There is only one type of room available in order to simplify the process and operation. Each room will have a door connecting function to be able to accommodate big family stay.

In regard to room design, the room will have a simple design yet modern style. The material of furniture will be specially designed and built to suit with pet owner and their pets. This is mainly to reduce maintenance cost of damaged furniture causing by pets as well as to maintain good hygienic condition and ease of cleaning. Every room is soundproof in order to ensure that every guest and their pet are not disturbed by any noise.

Bathroom will also have a design such that to be able to accommodate both human and their pets. For dog room, there will be dog pee pads provided. For cat room, there will be litter box provided. Basic amenities for pets will also be provided e.g. comfortable bed, high absorbent towel, food, and water bowl.

### Use of furniture

- Flooring: Vinyl flooring can replicate the look of genuine hardwood, stone, or tile flooring. It has a feature of scratch resistant, durable, waterproof, and cost-effective.

- Walls: Semi-gloss paint is durable, and it can be scrubbed clean.

It can repel fur to help the walls clean

- Sleeping sofa; Low height sofa can limit pet access of the space underneath. Use of synthetic fabric also help resists scratches and stains. It can be cleaned with a simple solution of distilled water and bleach.

- TV stand minibar, desk, chairs, and wardrobe – Chrome finishes in furniture offer scratch resistant and anti-chew. Chrome is easy to clean and have low maintenance.

- Bedding – Use of waterproof mattress cover helps prevent damaging the mattress if pets pee on the bed. High thread count linen bedding is stronger than cotton and don't attract fur like velvet.



*Figure 5.4 Use of furniture in the room*

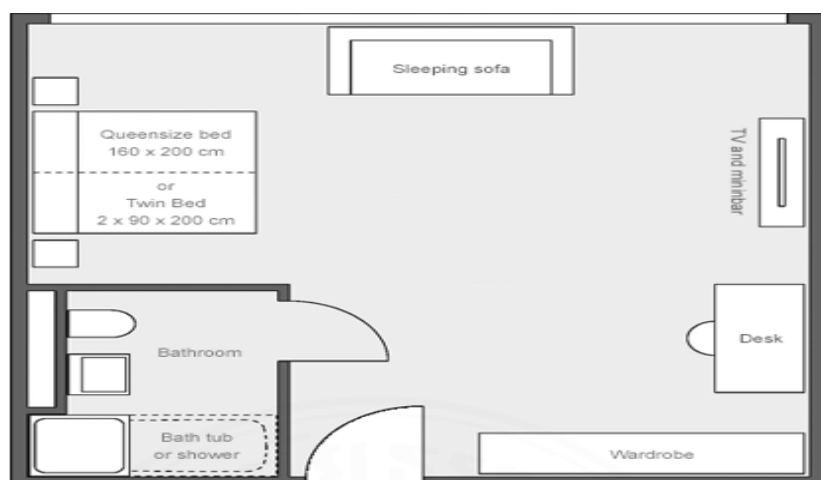


Figure 5.5 Room layout

### 5.3.2 Price

Pricing for each type of services is classified in below table.

Table 5.2

#### Accommodation price

Price	Rules & regulations	Room features
1,500 THB net	<ul style="list-style-type: none"> <li>• Check-in: 2PM Check-out:12PM</li> <li>• Pet type(s) allowed: Cats, Dogs</li> <li>• Pets must be appropriately restrained.</li> <li>• Guests are responsible for cleaning up after their pets on hotel property and in the neighborhood.</li> <li>• The hotel reserves the right to charge guest's account for any damages or injuries caused by your pet. Damage deposit upon check-in 500THB</li> <li>• Pets must not be left unattended</li> </ul>	<ul style="list-style-type: none"> <li>• Soundproof</li> <li>• Door connecting function to be able to accommodate big family stay.</li> <li>• Furnitures are designed and built for pet</li> <li>• No pet fee, no maximum weight.</li> <li>• Pet Zoning</li> <li>• Basic pet amenities provided e.g. food bowl, water bowl, pet</li> </ul>

Price	Rules & regulations	Room features
	<ul style="list-style-type: none"> <li>Pets must have vaccination certificate/proof.</li> <li>We are not liable for any potential injuries that may occur to your pet while on hotel premises</li> </ul>	towel, pee pads, litter box, pet bed

Table 5.3

*Daycare service price*

Price	Rules & regulations
100 THB / pet / 6hrs	<ul style="list-style-type: none"> <li>Service available for hotel guests and external guests</li> <li>Require pet vaccination certificate</li> </ul>
200 THB / pet / 12hrs	

Table 5.4

*Cat grooming service price*

Cat		
Size	Bathing (cleaning your pet's coat and trimming nails and cleaning ear)	Bathing + Grooming
S (1-3kg)	250-300	500
M (3-6kg)	350-400	550
L (6-10kg)	450+	600
*Pricing chart classified above is an estimate and vary depending on pet's hair condition and cooperation, but the price will be within the range.		



Table 5.5

*Dog grooming service price*

Dog		
Size	Bathing (cleaning your pet's coat and trimming nails and cleaning ear)	Bathing + Grooming
S (1-5kg)	200-300	500
M (5-10kg)	300-400	600
L (10-15kg)	450-500	700
XL (15-20kg)	800-1,000	1,000+
XXL (20kg+)	1,000+	1,200+
*Pricing chart classified above is an estimate and vary depending on pet's hair condition and cooperation, but the price will be within the range.		

**5.3.3 Place**

Hotel will be using two main distribution channels. This will be both online and offline channels.

According to travel & tourism data, people with the age from 25-44 years old are the main age group that contributed to incremental in hotel revenue. The target customers are the pet owner customers who regularly have to travel for both business and vacation purpose in upcountry. Additionally, the target group of 25-44 years old also in the top three of Meta's ad audience.

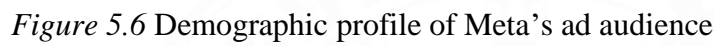


Figure 5.7 Thailand favorite social media platform

Figure 5.8 Thailand's top 12 hotel booking channel

Source: (Bangkokpost, 2021)

### Online channel

According to the data, the most popular online platform that Thai people use are Facebook, Line, Tiktok and Instagram respectively. These will be the main three online channels that hotel will use to promote its marketing and sales activities. Nevertheless, other booking channels with Online Travel Agencies such as Agoda and Booking.com cannot be overlook as they are the top two most popular booking channels.

(1) Facebook is the most popular social media platform used in

Thailand. Facebook can be used to broadcast hotel information, service offerings and marketing campaign.

(2) Line is the second most popular online platform. Hotel Official Line account can be created to advertise, promote and remind customer of hotel offerings.

(3) TikTok is the third most popular online platform. This channel can be used to create trendy content and viral content to present in customer's mind.

(4) Instagram is the fourth most popular platform used in Thailand. It can be used to create short video content to promote hotel brand, offerings, and events as well as a quick hotel tour.

(5) Agoda and Bookings.com will also still be used as our booking channels.

### Offline channel

(1) Hotel

Hotel direct sales will be one of the main offline channels in order to reach to target customer directly by the hotel staff. They can offer special offerings to customer directly.

(2) Event and fair

Hotel can promote sales and marketing activities through event and fair. This is also one way to advertise hotel brand.

(3) Local pet related business partnering

Veterinarian clinic and pet grooming shop; advertise and promote hotel through local service providers. Partnering with local service provider e.g. use their service or our service get special discount. Partnering with Vet clinic as recovery

accommodation for pet surgery. Partnering with nearby attraction and provide discount for an entry fee could also be considered.[PE11]

### **5.3.4 Promotion**

Since Hug My Pet just entered the hotel industry, it is essential that hotel use marketing communications effectively in order to present in customer's mind as well as making consumer aware of hotel offering and hotel's value proposition. Hotel needs to strongly promote being a budget pet-friendly hotel that specifically built and design for pet lovers as well as getting customer to use hotel accommodation and services. Below activities can be implemented in order to gain and retain customers:

#### **5.3.4.1 Advertising**

(1) Online travel agencies: According to results from market research, it can be seen that online travel agencies such as Agoda and booking.com are the channels that most consumers used to find accommodation. Consumers mainly use this channel mainly due to ease of use in finding information before they make decision. This channel offer complete information includes hotel information, location, services, facilities, prices, review from customers. The benefit of using this channel is it can reach to potential customers quickly and broadly due to its popularity and ease of use. Hug My Pet hotel can use this channel for advertisement so the hotel can be seen and appear in top list.

Period: First 6 months after opening

Budget: 5% of total bookings for Online Travel Agencies

(2) Social Media: Use social media as a source of marketing activities and public relations by creating official accounts on social media platforms such as Facebook, Instagram and Tiktok. Social media platforms can be utilized to create marketing content in order to gain customers, for instance, posting pictures and videos of hotel, messages of marketing and promotion activities:

- Facebook: Hug My Pet Hotel will use photos, messages, and short video content to present hotel facilities and service offerings. The Facebook page will also be one of the channels to communicate with customer regarding its marketing activities and promotions. Facebook advertisement will be use in order to attract potential customers. The Facebook advertisement frequency will be about 3

times per week. In terms of customer relationship and retention, Facebook will be used to keep customer engagement and foster relationship through page activities such as like & share, sharing pictures with their pets, or sharing experience at hotel to get discount or to win free prize and etc. Facebook advertisement cost will be in the form of Cost-Per-Click (CPC). This is to ensure that the target audience will be viewing the page.

Period: Consistently throughout business operations

Budget: 15,000 baht per year for the first 2 years of operations.

- Instagram: Hug My Pet Hotel will use photos, reels and IG stories to promote property, hotel activities and marketing campaign. These posts will aim to advertise hotel in order to gain customers and follower. Instagram advertisement cost will be in the form of Cost-Per-Impression (CPI). This is to ensure that the target audience will be viewing the content.

Period: Consistently throughout business operations

Budget: 10,000 baht per year for the first 2 years of operations.

- TikTok: As Hug My Pet hotel is new to hospitality industry, it is crucial that the brand must be known and therefore the use of TikTok will also considered in order to appear in customer mind and create an interest when customer scroll through TikTok content. Advertisement cost will be in the form of Cost-Per-Mile (CPM) which is the cost per 1,00 views.

Period: Consistently throughout business operations

Budget: 10,000 baht per year for the first 2 years of operations.

#### **5.3.4.2 Influencer Marketing**

Influencer marketing has been popular lately as it is particularly effective as it appears like a sort of recommendation from a user or a friend rather than in a form of advertisement. Different influencer can also attract different type of customers depending on their lifestyle and their personal branding. For this reason, Hug My Pet hotel has chosen this marketing strategy to create awareness and gain customers. Influencer that has chic travel lifestyle and also own pet as well as having

more than 80,000 followers will be chosen. The target audience and follower of the particular influencer will also be considered to ensure that the potential customers are reached. Some examples of the influencers are Gluta story, Edward10516, and Kingdom of Tigers. Gluta story is the influencer who owned 7 dogs, all of which were stray dogs. Gluta Story is an inspirational fan page which promotes on concerning stray dogs. Gluta story have 9M followers on Facebook, 2M on Instagram and 1.02M on YouTube. They also have engagement rate of 2.8%. Edward10516 is a content creator targeting pet lover especially “cat slave”. The owner mainly takes his cat on travel and post pictures and videos. Their content main purpose is to create entertainment for the fans. They currently have 460K followers on Facebook, 212K on Tiktok and 101K on Instagram. They also have engagement rate of 4.5%. Kingdom of tigers is a content creator in social media started from adopting stray cats. They further expanded themselves in other channel name Catster to help with any pet related issue whether this will be on finding home for stray pets, pet blood donation, or helping sick pets. Kingdom of tigers have 3.1M followers on Facebook and 406K on Instagram.

Period: First 6 months after opening, two times in first year

Budget: 30,000 Baht per time

#### **5.3.4.3 Direct Marketing**

Direct marketing activities will be use through Line official account to broadcast and communicate to customers to offer special promotions and discounts, targeting the retention of customers who have already used the services.

Period: Periodically

Budget: Free

#### **5.3.4.4 Event Marketing**

Event marketing will be one channel that Hug My Pet Hotel use to promote hotel and the services. This will allow Hug My Pet hotel to gain potential customers, attract customers as well as to make known publicly through event such as Pet Expo and ThaiTeawthai

Period: Once a year for 2 years

Budget: 20,000 Baht per year

#### **5.3.4.5 Sales promotion**

Various sales promotion to promote hotels and attract the customers will be implemented:

(1) Soft opening: Upon starting hotel operations, hotel will be launching its soft opening promotion campaign to attract customer and stimulate sales. The promotions are, for instance, stay one-night free grooming service, Stay two night free one night.

Duration: First 3 months

Budget: 30,000 Baht

(2) Seasonal promotions: Discount and room package promotions will be offer to customers on month basis to keep customer engaged and to create the need for customer to use the service. Room discounts and room package with grooming or daycare service can be offered during the weekdays (Sundays-Thursday) and low seasons where the customer demand is low.

Duration: Weekdays and low season period throughout operation

Budget: 0.2% of the total room revenue

(3) Partner privileges: Partnering with local business that are related with pets such as Pet clinic, Pet shop or grooming service to create special room rate or room package.

Duration: Throughout operations

Budget: 0.2% of the total room revenue

#### **5.3.4.6 Customer Loyalty Program**

Maintaining customer base and gaining customer loyalty are crucially important factors to keep business in operation. Hug My Pet will implement customer loyalty program that offer privileges to loyalty customers to develop relationship and to ensure their satisfaction with offer and services in which will lead to repeat visits. The program can be, as an example, points collection and redemption, free grooming, or free daycare.

Period: Throughout the business operations

Budget: 0.5% of the total room revenue

Table 5.6

*Estimated marketing and promotional expenses of Hug My Pet Hotel*

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Advertising</b>					
-Online agencies	246,375	-	-	-	-
-Social media	35,000	35,000	-	-	-
<b>Direct marketing</b>	-	-	-	-	-
<b>Influencer marketing</b>	60,000	30,000	30,000	30,000	30,000
<b>Event marketing</b>	20,000	20,000	-	-	-
<b>Sales Promotion</b>					
-Soft opening promotion	30,000	-	-	-	-
-Seasonal promotion	19,710	21,900	24,090	26,280	28,470
-Partner privileges	19,710	21,900	24,090	26,280	28,470
<b>Customer Loyalty program</b>	49,275	54,750	60,225	65,700	71,175
<b>Total</b>	480,070	183,550	138,405	148,260	158,115

**5.3.5 People**

People are one of the most important factors when it comes to hospitality industry. Having a service-minded staff will ensure the success of the business as well as good brand reputation of the hotel. Hug My Pet hotel will recruit the employee who are kind, pet lover, having pet background, have some basic knowledge related to pet health and safety, service mind and details oriented. Having these types of characteristics will help portrait good hotel image as well as making customers feel safe and comfortable during their stay.

**5.3.6 Process**

Various processes will be in place to ensure smooth operation of the hotel:



#### **5.3.6.1 Booking process**

Customers can check the rooms availability and make a reservation in many channels whether it will be OTAs, Line or Facebook. Upon reservations, customers will also be able to make payment with several payment methods such as internet banking, Promtpay, credit card and debit card. Once the reservation is made and paid, free cancellation will be valid for 72 hours prior to arrival date. In case of no show, hotel reserves the right to charge a fee with no refund. However, there may be some exception to this as there may be some emergency cases depending the case, hotel may consider waiving the fee or provide room credit.

#### **5.3.6.2 Guest check-in process**

Guest will have an option to either check in online or check-in at counter upon arrival. With the check-in online option, hotel will be sending a message with the link to notify and remind their stay. Guest can click the link to fill in their personal information and upload their ID card along with their pet information and vaccination certificate. Hotel pet policy will also be explained with the acknowledgement button. This will help in reducing the time at check in as well as making some customer comfortable with this contactless check in method. Check-in at counter upon arrival option also available during walk in. Hotel pet policy will also be explained along with link

#### **5.3.6.3 Staff service process**

At Hug My Pet hotel, we emphasize the importance of our services to ensure that guests are satisfied throughout their stay to enhance customer experience. All employees will have guideline and standard operating procedures to follow which will vary according to their duty. For instance, all employees must remember the name of the guest and their pet. This is to develop customer relationship.

#### **5.3.6.4 Feedback and continuous improvement process**

Voice of customers are crucially important in hospitality business. Hug My Pet Hotel keen to develop and improve its services according to customer feedback. QR code for customer feedback will be made available throughout the hotel. Customer can scan and provide their feedback in the online survey. Customer may also provide their feedback in other channels such as social media, front desk and OTAs. All of these feedbacks will be regularly monitored and analyze by hotel staff so

hotel can adapt and further improve its services to ensure that customer expectations are met.

### **5.3.7 Physical evidence**

Physical evidence is the first thing customers see when they are interacting with Hug My Pet Hotel. It is, therefore, vital to build good property's image in order to build trust with customers before their stay. A few strategies on physical evidence are implemented:

#### **5.3.7.1 Environment of surrounding area**

According to market research findings, it was found that customers are seeking for private location during lodging as they want to spend quality time with their family members including their pets. The location of Hug My Pet Hotel is having private land and space that are also not too far from the main road, making it convenient to access but yet private.

#### **5.3.7.2 Exterior and Interior Design**

Hug My Pet Hotel exterior and interior design will be a simple modern style emphasizing simplicity, privacy, safety, friendly, warmth and comfortable. These all harmonize well with the surrounding environment.

Additionally, room interior will also be equipped with pet-friendly furniture that has no sharp points, safe painting chemicals, chew-resistible material as well as minimizing hard to reach surface of furniture to allow ease of cleaning.

#### **5.3.7.3 Security and Safety**

Security and safety of the pet owner and their pets are of the most important aspect that Hug My Pet Hotel give importance to. It does not only help preventing injuries, death or property damage but also helps gaining customer trust, creditability, and good reputation if hotel have high security and safety standard system. Hug My Pet Hotel will install all necessary security and safety system such as fire extinguishers, fire alarm, emergency exit signs and etc. This will also comply with Hotel Act, B.E.2004. Additionally, to ensure customer safety and comfort during their stay, CCTV and security guards will be available 24 hours. Moreover, with the current technology, keycard system for rooms will provide extra safety. Fences around the

premises will also help ensure safety of the guests. In case of emergency with pets, local veterinarian contact is also available.



## **CHAPTER 6**

### **OPERATING PLAN**

#### **6.1 Construction plan, permit, and licensing**

Before Hotel start its operation, it is essential that hotel must follow laws in establishing hotel. There are total of 4 type of hotels classifications:

(1) Type 1: hotels that provide only accommodation and the number of rooms do not exceed 50. The size of each room is not less than 8 meters.

(2) Type 2: hotels that provide lodging and restaurant services. The size of each room is not less than 8 meters.

(3) Type 3: hotels that provide lodging and restaurant services. The size of each room is not less than 14 meters. It also has either entertainment facility or conference rooms which under the Place of Service Act B.E.2509 could be place for bars dancing, spa, and nightclubs.

(4) Type 4: hotels that provide lodging and restaurant services. The size of each room is not less than 14 meters. It also has both entertainment facility and conference rooms.

Hug My Pet hotel is classified is hotel type 1 where the hotel only provides accommodation, and the number of rooms does not exceed 50. The size of each room also more than 8 square meters. Application fee for a hotel business only for up to 50 rooms cost 1,000 THB. (Mayerbrown, 2008)

According to Building Control Act, B.E.2522 section 21, before proceeding with construction, hotel first must be licensed by the local competent official or inform the local competent official and operate under section 39 bis.

Hotel is considered as the building under usage control under section 32 of Building Control Act and should obtain a building construction certificate before starting construction. Once the construction is completed, local competent official shall then be notified to certify and issue the Or.6 certificate before hotel can start its operation. (Krisdika, 2022)

Once construction permit and building use permit is obtained and confirmed, the hotel license can then be applied according to Hotel Act, B.E.2547.

#### **6.1.1 Construction planning**

(1) Submit the mandatory documents to the Chonburi provincial land office in order to apply for permission to build 3 story building. The survey will also be carried out by officials which can take approximately 30-60 days

(2) Submit in hotel construction layout, and other relevant document to Bo Win subdistrict administrative organization in order to request permission to construct a building. This may take approximately 30 days.

(3) Submit mandatory documents to both Provincial electricity and Provincial waterworks authority in order to request permission to connect to utilities to support construction process. This process will take approximately one day.

#### **6.1.2 Construction contractor**

Hug My Pet will be using the construction company to build hotel construction in the form of lump sum contract. The contract price should include most of the aspects such as equipment, labor cost, operating cost, cost of the materials. By having this type of contract, it will enable the hotel to control the cost and reduce the risk of fluctuating construction costs.

#### **6.1.3 Hotel licensing**

As aforementioned, once the construction is completed, local competent official shall then be notified to certify and issue the Or.6 certificate before hotel can start its operation. Hug My Pet shall undertake the following procedures to obtain hotel license:

(1) Proof document of land ownership: such as NorSor.1 land utilization certificate, SorKhor.1 land ownership notification form, land title deeds, and a consent letter for construction or land use

(2) Ensure that hotel construction complied with all the laws

(3) Environmental Impact Assessment (EIA) report is not required (pnpinternationallegal, 2022)

(4) Ensure that the hotel location is complied with standard hotel construction regulation

(5) Obtain Oor.1 building permission certification at local district office

(6) Obtain Oor.6 certificate following hotel building structures inspection have been completed by related government agencies.

(7) Apply for hotel license by using the obtained Oor.6 certificate. This can take up to six months but may vary depending on hotel location. The hotel license is valid for five years after hotel licensed is obtained.

After hotel license is granted, hotel manager must register his/her name at the local district office.

## **6.2 Operation plan**

Hug My Pet has laid out the process of the service to ensure that hotel staff will follow standard operating procedures in order to impress customer throughout their stay.

### **6.2.1 Room Reservation and Payment**

According to market research as well as the data from Bangkokpost, 2021, Booking.com, Agoda and direct bookings are the top 3 most popular hotel booking channels in Thailand. It is essential that hoteliers should focus on availability for last-minute booking to meet domestic market's behavior and attract guests to stay for extra days. Hug My Pet hotels has prepared various booking channels in order to meet customer needs. Customers will be able to make reservations in various channels such as OTAs, email, Facebook, Line, phone, and walk-in.

(1) OTAs reservations such as Agoda and Booking.com platform will allow customer to view property details, availability, price, and choose their desired date to stay. Payment can either be done at the time of booking or pay later at the property. Customers will also have several options to make payment, for instance, internet banking, credit cards, debit cards, and etc. When reservations are made and confirmed, automatic confirmation email or message will be sent to Hotel and customer. For this channel, room cancellation policy is subjected to OTAs 's policy.

(2) Direct channels reservations such as email, Facebook, Line, phone, and walk-in can be made by customers. This will allow customer to select their desired period of stay and check availability directly with hotel. Customers will have to provide their personal information and make 50% advance payment upon booking. Once the reservation is made, hotel service administration will provide booking confirmation proof document to customer. In case guest want to cancel the reservation, cancellation can be made with free of charge within 72 hours before check in date. In case of no show on check in date, hotel reserves the right to charge a fee with no refund.

### **6.2.2 Registration and Check-in**

(1) Guest arrival: Upon guest arrival at Hug My Pet Hotel, guest may stop at the drop-off point and unload their luggage with the assistance from bellboy. Security officer will also assist guest during parking.

(2) Registration: Upon registration, hotel service administrator will check the booking confirmation and confirm accuracy of details. In case of walk-in or did not complete online registration, guest will have to fill in registration form and sign during check-in. Guest is required to show pet vaccination card/certificate during registration to ensure other pet's safety. Guest will also be required to make 500THB damage deposit. This will be return to customers if there is no damage.

(3) Room assignment: hotel service administrator will assign the available room and provide key card to customer. If in case, guest have any preference, hotel service administrator will be able to accommodate base on guest request depending on room availability.

(4) Briefing hotel information: hotel service administrator will provide hotel information such as check-out time, pet policies, hotel rules and regulations and other available services in the hotel.

(5) Guest folio: hotel service administrator will record guest information as well as their pet's name and inform to other department.

### **6.2.3 Snack Bars and Instant Meal Service**

Food and beverages are available to purchase at reception. There will be a small shelf selling human snacks and instant meals as well as pet foods, litter, pee pad and etc. This will be available 24 hours at reception counter. Guests are required to make payment at the time of purchase.

#### **6.2.4 Housekeeping Service**

Housekeeping staff will follow all standard operating procedures on cleaning method to ensure that the room are properly cleaned and sanitized:

(1) Remove bed sheets, pillow cover, blanket cover and etc. which were used by previous guest.

(2) Use vacuum and mops for removing pet hair

(3) Use antibacterial surface cleaning wipes to clean all surfaces: This is to remove bacteria and allergens. It kills pathogens that was left from the pet on hard surfaces. This will help protecting staff, guests, and other pets.

(4) Use disinfectant to sanitize on hard surfaces and leave it to dry. This helps eliminate the stains and bacteria left on hard surfaces.

(5) Use pet dander removal sprays. Pet dander can cause severe allergies and is invisible to human eye. This needs to be used to prevent buildup of pet dander as well as to prevent occurrence of medical emergency.

(6) Use odor eliminator to remove pet odors from hard surfaces, furniture, and upholstery. This will help remove stain and smell that were left by the pet so when the next pet comes in, they will be able to stay comfortably.

(7) Finish up the room with fresh towel, bed sheets, blanket cover, pillow sheet , basic amenities and etc.

(8) Head of housekeeping department will then inspect and sign off before handing the room back to either the guest or hotel.

In case where guest spend more than one night, guest can hang the cleaning sign at the doorknob to inform housekeeping service whether they would like their room to be clean or not. The housekeeping service will be available from 8:00am - 5:00pm.

#### **6.2.5 Daycare and Grooming Service**

Pet owner who are interested in receiving daycare and grooming service can directly contact the reception to make an appointment and ask for service details and pricing. Daycare and grooming service will be available from 10AM-6PM.

#### **6.2.6 Check-out and bill settlement**

(1) Upon checkout request by customer, customer is required to return key card and provide room number. Hotel service administrator will then notify



housekeeper and request housekeeper to inspect the room if customer left any personal belongings and for any possible damages.

(2) Hotel service administrator will summarize all charges incurred during guest stay and ask customer to verify and confirm before proceeding with payment. Also, if no damage was found, hotel will return 500THB damage deposit to customer.

(3) Upon payment receipt, customer will be rewarded with point collection if customer participate in customer loyalty program

(4) Hotel service administrator will inquire customer to conduct customer survey and encourage customer to participate in customer loyalty program. At the time of customer departure, bellboy will be assisting customer with their luggage.

(5) Hotel service administrator will update the room status in hotel system as well as recording customer stay history and services used. This is to build up customer database for marketing purposes.

### **6.3 Human Resources Strategy**

Human resources are essential and the most important factor especially in hospitality industry. Having the right resources and quality staff will help increased customer satisfaction and good hotel reputation. It is crucial that Hug My Pet have effective human resources strategy in place to recruit and retain the right talent in order to best serve customer needs to achieve its company goals.

#### **6.3.1 Human Resources Management Objectives**

(1) To recruit the appropriate staff with the right skillset, personality, and knowledge .

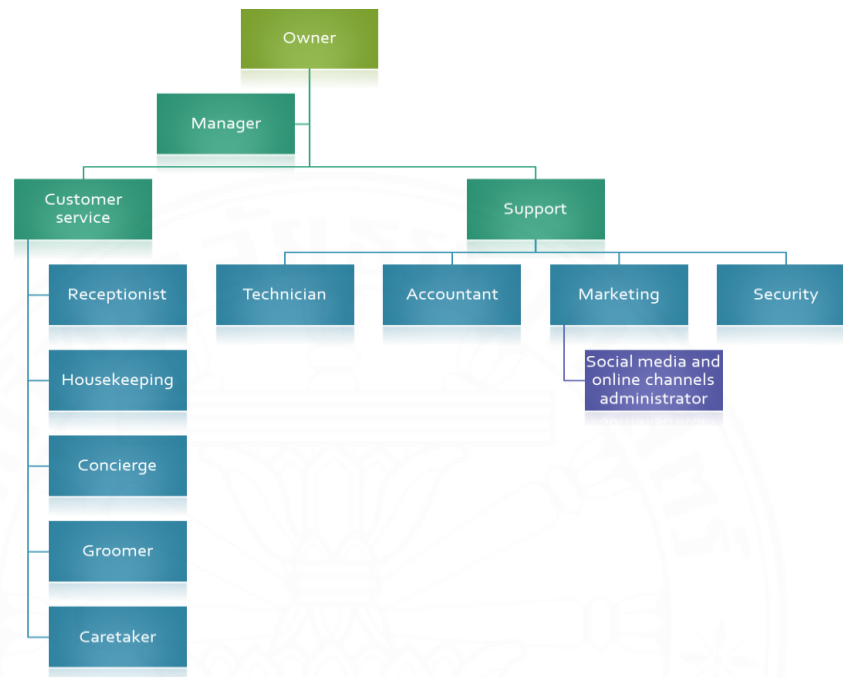
(2) To develop staff talent and skillset in order to best serve customer needs and exceed customer expectations.

(3) To evaluate staff performance for continuous improvement

#### **6.3.2 Organizational structure**

Hug My Pet Hotel utilize the functional organization to manage its resources. This will allow prompt and effective communication within the organization.

This is suitable for Hug My Pet hotel being a small-medium size hotel as it is flexible, and the owner can directly make changes as needed. With this type of organization structure, employees will also have sense of accountability and autonomy for their role.



*Figure 6.1* Hug My Pet organizational structure

As shown in figure 6.1, Hug My Pet consisted of two different departments namely customer service and support team. To ensure effective communication and cooperation between department, weekly meeting every Monday is scheduled to discuss and plan.

### 6.3.3 Manpower planning

In order to effectively manage resources as well as the services, Hug My Pet have identified the number of required human resources according to the size of hotel to ensure that customer will receive the best services as well as to avoid unnecessary cost resulting from lack of needed resources. Table 6.1 below summarize the manpower planning of Hug MY Pet hotel.

Table 6.1

*Manpower planning of Hug My Pet Hotel*

<b>Department</b>	<b>Position</b>	<b>Number of people</b>
Management	Manager	1
Customer service	Receptionist	3
Customer service	Housekeeping	2
Customer service	Concierge	2
Customer service	Groomer	1
Customer service	Caretaker	2
Support	Technician	1
Support	Accountant	1
Support	Social media administration	1
Support	Security officer	3
<b>Total</b>		<u>17</u>

**6.3.4 Work schedule management**

As hotel will be operating 24 hours daily, it is necessary to manage work schedule of employees in order to keep the operation running smoothly. In general, all employees have 6 working days per week and their holidays do not fall on weekends and public holidays. This is because the nature of hotel business, where there will be high demand during these periods.

(1) Manager, accountant, social media administration working hours is from 8am – 5 pm. They will be having 6 days off per month.

(2) Receptionist will be working synchronize in shift. First shift will be from 8am – 4pm and second shift will be from 4pm - 12am and third shift will be from 12am-8am. Receptionist will have one day off per week.

(3) Housekeeping staff working period from 8am-5pm. They will have one day off per week.

(4) Concierge working hours from 8am-5pm. They will have one day off per week.

(5) Groomer will be working from 8am-5pm. They will have one day off per week.

(6) Caretaker staff working shift from 8am-5pm and second shift from 5pm-1am (after midnight, will be taking care by other staff as require only monitoring). They will have one day off per week.

(7) Technician will be working from 8am-5pm. They will have one day off per week.

(8) Security officer will be working in 3 shifts; first shift from 8am – 4pm and second shift will be from 4pm - 12am and third shift will be from 12am-8am. Security officer will have one day off a week.

It is worth to note that night shift workers will require to have some basic knowledge of other department responsibility such as maintenance and concierge in order to accommodate guest's needs throughout the day and night.

#### **6.3.5 Staff Recruitment Process**

Staff recruitment and opening positions will be advertised through recruitment company such as JobsDB, Jobthai and Jobtopgun. Additionally, other channels, for instance, posting a job vacancy recruitment sign will be carry out also. Staff recruitment process will be taking place at least one month prior to opening. This will allow Hug My Pet to train new hire staff as well as addressing its policy and standard operating procedures to their employees.

#### **6.3.6 Staff Training**

Newly hire employee will undergo orientation training which will be carry out by manager. Orientation training will include providing the information of hotel & its services, work practices & ethics, rules & regulations, person responsibility and expectation as well as staff benefits. Once staff orientation is completed, the new staff will receive job training from their respective department by the senior or experienced staff under that particular department. With the on-job training, the aim will be for hands on experience to ensure that the newly recruit employee understand his/her responsibilities and duties as well as the expectations.

### **6.3.7 Staff evaluation**

360 evaluation system will be used to evaluate employee performance. It is an evaluation system based on anonymous feedback from multiple people across a company (Custominsight, 2022). It typically includes peers, manager, and direct reports. Additionally, customer survey feedback will also be included in the evaluation if in case there is any complaint filed for the individual. The 360 evaluations will be carried out 2 times per year. Based on the evaluation and performance, it will affect employee's salary.

### **6.3.8 Staff remuneration and benefits**

Hug My Pet hotel provide remuneration based on their role and responsibility with referencing to the legal minimum wage rate according to the labor protection law (Provincial labor office Chonburi, 2022) and also based on minimum rate of the particular position in the same industry.

Additionally, Hug My Pet hotel also provide social security fund to its employees in order to comply with Social Security Act, B.E. 2533 (1990) to provide employees with compensational benefits in the event of sickness, accident, disability, and death which are not caused by work-related activities. This will also include case of childbirth, child allowance, retirement, and unemployment. Social security payments shall be deducted from salary of employee at a rate of 5% but shall not exceed 750 Baht per month. Hug my Pet will also provide social security fund at a rate of 5% addition to employee's salary, where the government will also contribute 2.75% of the employee's salary. (International labor organization, 2011)

Table 6.2

*Employee compensation and benefits*

<b>Department</b>	<b>Position</b>	<b>Number of people</b>	<b>Salary</b>	<b>Total</b>	<b>SSF</b>
Management	Manager	1	26,000	26,000	750
Customer service	Receptionist	3	13,000	39,000	1,950
Customer service	Housekeeping	2	12,000	24,000	1,200
Customer service	Concierge	2	10,500	21,000	1,050
Customer service	Groomer	1	18,000	18,000	900
Customer service	Caretaker	2	10,500	21,000	1,050
Support	Technician	1	14,000	14,000	700
Support	Accountant	1	14,000	14,000	700
Support	Social media administration	1	15,000	15,000	750
Support	Security officer	3	10,500	31,500	1,575
<b>Total</b>		<u>17</u>	<u>223,500</u>	<u>10,625</u>	<b>Total</b>

## **CHAPTER 7**

### **FINANCIAL PLAN**

Financial plan strategy is developed to enable business to operate effectively and generate profits in the long term. Financial plan includes the management of capital, income, and expenditures, and setting up an appropriate capital structure.

#### **7.1 Financial Objectives and goals**

##### **7.1.1 Financial Objectives**

- (1) To analyze project feasibility through the use of financial instruments
- (2) To set up financial structure according to operation strategy as well as allocating appropriate resources to ensure maximum efficiency in operation
- (3) To achieve liquidity in operations and properly manage financial costs.

##### **7.1.2 Financial Goals**

- (1) To achieve appropriate Internal Rate of Return (IRR)
- (2) To achieve positive return on Net Present Value (NPV)
- (3) To find appropriate payback period

#### **7.2 Establishing Financial Assumptions**

##### **7.2.1 Source of Funds**

Hug My Pet hotel required funding from two sources which are the funding from loans of commercial banks and the capital from equity. The total investment cost is THB 29,672,850. The long-term equity to creditor ratio is 60:40 which equates to the owner's equity of THB 17,803,710. The long-term funds from commercial bank are THB 11,869,140. Table 7.1 below illustrated the details:

Table 7.1

*Source of fund*

Source of fund	Amount (THB)	Proportion
Bank Loan	11,869,140	40%
Equity	17,803,710	60%
Total	29,672,850	100%

**7.2.2 Weighted Average Cost of Capital****7.2.2.1 Cost of Debt:  $K_d$** 

The financing in this project having 40% from loans. This is the cost of capital arising from debt financing. The minimum loan rate (MLR) from (Kasikornbank, 2022) as of October 2022 is 5.72%

**7.2.2.2 Cost of Equity:  $K_e$** 

Capital Asset Pricing Model (CAPM) method is used to calculate cost of equity. The calculation is shown as follows:

$$\text{Cost of Equity} = R_f + (R_m - R_f) \times \beta$$

Risk free rate ( $R_f$ ) is obtained by using the Thailand 10 years government bond yield. Based on the Thailand 10 years government bond yield, it has 2.550% yield as of 27 November 2022. (WorldGovernmentBonds, 2022).

Market return ( $R_m$ ) is obtained by using Stock Exchange of Thailand Total Return Index (TRI) 10 years historical data. Based on 10 years SET TRI data as of October 2021, the TRI index is 9.53%. (Kasikornbank, 2021)

Beta ( $\beta$ ) value is obtained by using the average 2022 YTD data from the companies listed on Stock Market Exchange of Thailand under Tourism and leisure industry. There are 14 companies in total and the average beta value is 0.70. (Stock Exchange of Thailand , 2022)



From the above obtained data, each value can be input into equation to find cost of equity:

$$\begin{aligned}\text{Cost of Equity} &= R_f + (R_m - R_f) \times \beta \\ &= 2.55\% + (9.53\% - 2.55\%) \times 0.70 \\ &= 7.44\%\end{aligned}$$

### 7.2.2.3 Corporate Income Tax: t

The corporate income tax rate for companies incorporated in Thailand is 20%. (PWC, 2022)

### 7.2.2.4 Weighted Average Cost of Capital: WACC

The cost of capital represents the average of all capital cost a company covers. The formula to calculate WACC is as followings:

$$\text{WACC} = W_e(K_e) + W_d(K_d)(1 - t)$$

Where:

$W_e$  refers to the owner's capital proportion

$K_e$  refers to the rate of return of the owner

$W_d$  refers to the proportion of loans of financial institution

$K_d$  refers to the interest rate of the loan

$t$  refers to corporate tax

$$\begin{aligned}\text{WACC} &= 0.6(7.44) + 0.4(5.72)(1 - 0.2) \\ &= 6.3\%\end{aligned}$$

Table 7.2

### *Structure and cost of capital of Hug My Pet Hotel*

	<b>Contribution</b>	<b>Weight (%)</b>	<b>Required Rate of Return</b>
Equity (E)	17,803,710	60	7.44
Debt (D)	11,869,140	40	5.72%
<b>Total</b>	<b>29,672,850</b>	<b>100</b>	<b>6.3%</b>

### 7.2.3 Income Projections

According to market research data, customers are willing to pay between 1,500-2,500 baht per night for pet-friendly hotel. Hug My Pet hotel offer the nightly lodging price of 1,500 Baht as a strategic pricing.

Based on data obtained from Ministry of tourism and sports (2022), Chonburi hotel occupancy rate as of October 2022 is at an average of 48.96%. It is still under recovering to pre-pandemic level at up to 70%. The average occupancy rate that Hug My Pet forecasted on the first year will be at 45% due to being new to the business. It is then expected to increase to 65% within 5 years as a result of marketing strategies.

Other income revenue such as grooming service, daycare service and food and beverages will be consistent with the occupancies. Grooming service, daycare service and food and beverage revenue are estimated at 10%, 3%, and 2% of total revenue, respectively. For example, in year 1, in table 7.3, total room revenue is at 9,855,000 THB:

Per year revenue:

Grooming service revenue =  $9,855,500 \times 10\% = 985,500$  THB / year

Daycare service revenue =  $9,855,500 \times 3\% = 295,650$  THB / year

F&B service revenue =  $9,855,500 \times 2\% = 197,100$  THB / year

Per month revenue:

Grooming service revenue =  $985,500 / 12 \text{ months} = 82,125$  THB/month

Daycare service revenue =  $295,650 / 12 \text{ months} = 24,638$  THB/month

F&B service revenue =  $197,100 / 12 \text{ months} = 16,425$  THB/month

Hug My Pet hotel aim to achieve an average occupancy growth at 5% every year. The total revenue for a 5-year period is estimated in table 7.3 below.

Table 7.3

*Hug My Pet hotel 5-year income projections*

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Occupancy</b>					
Occupancy rate	45%	50%	55%	60%	65%
Occupied room nights	6,570	7,300	8,030	8,760	9,490
<b>Revenue</b>					
Room revenue total	<b>9,855,000</b>	<b>10,950,000</b>	<b>12,045,000</b>	<b>13,140,000</b>	<b>14,235,000</b>
<b>Other revenue</b>					
Grooming service	985,500	1,095,000	1,204,500	1,314,000	1,423,500
Daycare service	295,650	328,500	361,350	394,200	427,050
F&B	197,100	219,000	240,900	262,800	284,700
<b>Other revenue total</b>	<b>1,478,250</b>	<b>1,642,500</b>	<b>1,806,750</b>	<b>1,971,000</b>	<b>2,135,250</b>
<b>Total Revenue</b>	<b>11,333,250</b>	<b>12,592,500</b>	<b>13,851,750</b>	<b>15,111,000</b>	<b>16,370,250</b>

Occupied room nights calculation:

Total rooms = 40 rooms

Days open = 365 days per year

Total occupancy available per year =  $40 \times 365 = 14,600$  room nights.

If having 45% room occupancy rate, then =  $45\% \times 14600 = 6,570$  room nights<sup>[PE12]</sup>

#### 7.2.4 Initial Investment

Hug My Pet will require an initial investment of approximately THB 29,672,850. The investment details are clarified in followings:

##### (1) Land Cost

According to Trovit, (2022), the identified land cost in Bowin, Chonburi has a land area of 300 sq. wah which equates to 1,200 sq.m and it cost approximately THB 10,000,000.

## (2) Building construction and decoration cost

According to Agency for Real Estate Affair (AREA, 2021), the construction cost of the building less than five story without elevator, with the medium quality of material, the cost is approximately THB13,500 per square meter. The cost included materials, labor, taxes, waterworks, electricity works, system works, sanitary wares and other decorations. As Hug My Pet building will be having an area of 512 sq.m, therefore the total construction cost is THB 6,912,000.

## (3) Architecture design, plans and building permit

Hug My Pet Hotel will be using the architecture service company to design, plans and to obtain building permit license. Based on their service cost, for building that has 500-600 sq.m, it will cost approximately THB 85,000. (SBC stable plan & construction, 2022)

## (4) Interior furniture and decoration cost

Hug My Pet Hotel will be using the interior supplier company to design, decorate and provide built-in furniture in order to specifically design and built to be truly pet-friendly hotel. The cost of interior design, decoration and built-in furniture is approximately THB 10,000 per sq.m (Accessories, 2022). As Hug My Pet hotel will consisted of 28 sq.m with 40 units, therefore the interior furniture and decoration cost is approximately THB11,200,000. The built-in furniture consists of chair, table, bed, closet, curtain, TV stand, and sofa as well as toilet equipment.

Table 7.4

### *Interior furniture and decoration list*

	List	Price/unit (THB)	Unit	Total cost
Interior furniture and decoration cost	Chair Table Bed Closet Curtain TV stand	280,000	40	11,200,000

	List	Price/unit (THB)	Unit	Total cost
	Sofa Restroom set including toilet, sink, shower and etc.			

#### (5) Fencing

According to the pricing information of fencing from (Babbaan, 2019), the price of fencing 2.1m high cost approximately THB 1,850 per meter. Hug My Pet land area will require about 70m long of a fence to surround its land therefore it will cost approximately THB129,500.

#### (6) CCTV system

The cost of CCTV systems consisted of 16 CCTV cameras, 4TB hard disk, electrical cable, signal cable, lan cable, HDMI cable as well as installation cost THB142,900. (AS Services, 2022)

#### (7) Internet and network system

The cost of internet and network system suitable for medium business that has 2-4 story building and maximum of 75 rooms. It can accommodate up to 200 users. The cost of this including installation is THB49,000. (Easynet, 2022)

#### (8) Keycard system

Keycard system and door lock cost THB 2,500 per unit (CCDCAM looks, 2022). As hotel will be having total of 40 units and hence the total cost of keycard system is THB100,000.

#### (9) Air conditioning system

Based on the information regarding selecting the correct A/C BTU from Land & Houses, (2022), each room will be needing 15,000 BTU of air conditioning system. The cost of 15,000 air conditioning unit Haier HSU-15VNS03T #5 cost THB11,900 and the installation fee cost THB 2,500 (Gaincool, 2022). Hug My Pet is having 40 units of accommodation and 4 units for cats and dogs facilities, therefore the total cost for air conditioning system is THB 633,600.

## (10) Electrical appliances

The list of electrical appliances is listed in table 7.3. The total cost of electrical appliances is THB 361,130.

Table 7.5

*Electrical appliances*

	List	Price/unit (THB)	Unit	Total cost
Electrical appliances	• Lamp (Homepro, 2022)	630	80	50,400
	• TV 32T4202 LED 32", Smart (Powerbuy, 2022)	6,008	40	240,320
	• Minibar Refrigerator 1.4Q (Powerbuy, 2022)	3,590	40	143,600
	• Water heating 3500W EI35A (Powerbuy, 2022)	1,590	42	66,780

## (11) Grooming and daycare accessories

The details of grooming and daycare equipment and accessories are listed in table 7.4. The total cost of grooming and daycare equipment and accessories is THB 59,720.

Table 7.6

*Grooming and daycare accessories*

	List	Price/unit (THB)	Unit	Total cost
Grooming and daycare accessories	• Grooming table set	4,500	2	9,000
	• Trimmer	4,990	2	9,980
	• Scissors	3,500	2	7,000
	• Nail trimmer	190	2	380
	• Fur comb	600	2	1,200
	• Hair dryer/blower	3,500	2	7,000
	• Coverall (Lovedoger, 2022)	480	2	960
	• Dog & cat cages (YesPetShop, 2022)	1,900	8	15,200
	• Vacuum cleaners (Homepro, 2022)	4,550	2	9,000

Table 7.7

*Initial investment cost*

No.	Description	Qty.	Unit	Price/unit	Total cost
1	Land	1,200	sq.m	8,333	10,000,000
2	Building construction (structure, waterworks, electricity works, system works,sanitary wares)	512	sq.m	13,500	6,912,000
3	Architecture design, plans and building permit	1	project	85,000	85,000
4	Interior furniture and decoration	1	project	11,200,000	11,200,000
5	Fencing	1	project	129,500	129,500
6	CCTV system	1	project	142,900	142,900

No.	Description	Qty.	Unit	Price/unit	Total cost
7	Internet and network system	1	project	49,000	49,000
8	Keycard system	1	project	100,000	100,000
9	Air conditioning system	1	project	633,600	633,600
10	Electrical appliances	1	project	361,130	361,130
11	Grooming and daycare accessories	1	project	59,720	59,720
<b>Total investments</b>					<b>29,672,850</b>

### 7.2.5 Cost Projections

Due to the nature of hospitality business, Hug My Pet is providing accommodation, food and beverages, grooming service, daycare service, these all will have cost involved. The cost of providing basic amenities (such as towel, bathroom amenities, pee pad, cat litter and etc.) is estimated to be 10% of the room revenue. For food and beverages, grooming service, and daycare service costs are estimated to be 40%, 40% and 10% of the other revenue sources respectively.

### 7.2.6 Operating expenses projections

Operating expenses are classified into different categories and are clarified as follows:

#### 7.2.6.1 Distribution Costs

Based on Bangkokpast (2020). OTAs commission fees is approximately 10-15%. The commission fees offered to OTAs of 15% can be used to estimate the expenses cost on OTAs.

Credit card fees is approximately 1% of the estimated room revenue. (Kasikornbank, 2022a)

Advertising and promotional costs are clarified in Table 5.5.



Table 7.8

*Estimated 5-year distribution cost of Hug My Pet Hotel*

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Distribution costs</b>					
OTA commission	1,478,250	1,642,500	1,806,750	1,971,000	2,135,250
Credit card fees	98,550	109,500	120,450	131,400	142,350
Advertising and promotions	480,070	183,550	138,405	148,260	158,115
<b>Total distribution costs</b>	<b>2,056,870</b>	<b>1,935,550</b>	<b>2,065,605</b>	<b>2,250,660</b>	<b>2,435,715</b>

#### **7.2.6.2 Administrative Costs**

Employee compensation and benefits are described in Table 6.2. Utility expenses will be based on the traffic of customers and services and will be accounting for 3% of total revenue.

Repair and maintenance costs to maintain facility such as repair and maintenance cost of air conditioning unit, electrical appliances, furniture is budgeted for 50,000 baht and will be increased by 20% every year to reduce useful life.

Communication expenses such as broadband internet and telephone, based on Easynet (2022), this will cost 2,250 Baht per month or 27,000 Baht per year.

Cost of consumables to run hotel operation such as cleaning equipment, cleaning chemicals, office supplies etc. accounting for 1% of total revenue.

Table 7.9

*Estimated 5-year administrative cost of Hug My Pet Hotel*

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Administrative costs</b>					
Employee compensation and benefits	234,125	234,125	234,125	234,125	234,125
Utility expenses	339,998	377,775	415,553	453,330	491,108
Repair and maintenance	50,000	60,000	72,000	86,400	103,680
Communication expenses	27,000	27,000	27,000	27,000	27,000
Cost of consumables	113,333	125,925	138,518	151,110	163,703
<b>Total Administrative costs</b>	<b>624,123</b>	<b>671,900</b>	<b>721,678</b>	<b>773,855</b>	<b>828,913</b>

### 7.2.6.3 Asset depreciation

Hug My Pet hotel utilize straight line method to calculate asset depreciation. The estimated annual asset depreciation of Hug My Pet assets is projected in table 7.10 below.

Table 7.10

*Estimated annual asset depreciation of Hug My Pet Hotel*

No.	Asset	Asset cost	Useful life (years)	Depreciation expense
1	Building construction (structure, waterworks, electricity works, system works, sanitary wares)	6,912,000	20	345,600
2	Interior furniture and decoration	11,200,000	5	2,240,000
3	Fencing	129,500	20	6,475
4	CCTV system	142,900	5	28,580

No.	Asset	Asset cost	Useful life (years)	Depreciation expense
5	Internet and network system	49,000	5	9,800
6	Keycard system	100,000	5	20,000
7	Air conditioning system	633,600	5	126,720
8	Electrical appliances	361,130	5	72,226
9	Grooming and daycare accessories	59,720	5	11,944
<b>Total</b>				<b>2,861,345</b>

#### 7.2.6.4 Financial costs

Hug My Pet capital structure is based on 40% long-term loan and the fixed interest rate is 5.72%. The interest expense will incur for 10 years period on the principal of 11,869,140 THB. The principal and interest will be paid out for a period of 120 installments amounting 130,109 baht per month. Table 7.11 below shows the interest expenses for the long-term loan from year one to year five.

Table 7.11

*Interest expenses on Long-term loans of Hug My Pet Hotel from year 1- year 5.*

Year 1	Year 2	Year 3	Year 4	Year 5
655,410	602,212	545,891	486,262	423,131

### 7.3 Analysis of Financial Returns

#### 7.3.1 Income statement

Table 7.12

*Income statement of Hug My Pet Hotel*

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Revenues</b>					
Revenue from room	9,855,000	10,950,000	12,045,000	13,140,000	14,235,000
Other income	1,478,250	1,642,500	1,806,750	1,971,000	2,135,250
<b>Total Revenue</b>	<b>11,333,250</b>	<b>12,592,500</b>	<b>13,851,750</b>	<b>15,111,000</b>	<b>16,370,250</b>
<b>Less Selling Expenses</b>					
Room costs	985,500	1,095,000	1,204,500	1,314,000	1,423,500
Food and beverages	78,840	87,600	96,360	105,120	113,880
Grooming service	394,200	438,000	481,800	525,600	569,400
Daycare service	118,260	131,400	144,540	157,680	170,820
<b>Operating Profit</b>	<b>9,756,450</b>	<b>10,840,500</b>	<b>11,924,550</b>	<b>13,008,600</b>	<b>14,092,650</b>
<b>Less Expenses</b>					
<b>Distribution Costs</b>					
OTA commission	1,478,250	1,642,500	1,806,750	1,971,000	2,135,250
Credit card fees	98,550	109,500	120,450	131,400	142,350
Advertising and promotions	321,375	65,000	10,000	10,000	10,000
<b>Total distribution costs</b>	<b>1,898,175</b>	<b>1,817,000</b>	<b>1,937,200</b>	<b>2,112,400</b>	<b>2,287,600</b>

Table 7.12

*Income statement of Hug My Pet Hotel (Cont.)*

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
<b>Revenues</b>					
Revenue from room	9,855,000	10,950,000	12,045,000	13,140,000	14,235,000
Other income	1,478,250	1,642,500	1,806,750	1,971,000	2,135,250
<b>Total Revenue</b>	<b>11,333,250</b>	<b>12,592,500</b>	<b>13,851,750</b>	<b>15,111,000</b>	<b>16,370,250</b>
<b>Less Selling Expenses</b>					
Room costs	985,500	1,095,000	1,204,500	1,314,000	1,423,500
Food and beverages	78,840	87,600	96,360	105,120	113,880
Grooming service	394,200	438,000	481,800	525,600	569,400
Daycare service	118,260	131,400	144,540	157,680	170,820
<b>Operating Profit</b>	<b>9,756,450</b>	<b>10,840,500</b>	<b>11,924,550</b>	<b>13,008,600</b>	<b>14,092,650</b>
<b>Less Expenses Distribution</b>					
<b>Costs</b>					
OTA commission	1,478,250	1,642,500	1,806,750	1,971,000	2,135,250
Credit card fees	98,550	109,500	120,450	131,400	142,350
Advertising and promotions	480,070	183,550	138,405	148,260	158,115
<b>Total distribution costs</b>	<b>2,056,870</b>	<b>1,935,550</b>	<b>2,065,605</b>	<b>2,250,660</b>	<b>2,435,715</b>
<b>Administrative Costs</b>					
Employee compensation and benefits	234,125	234,125	234,125	234,125	234,125
Utility expenses	339,998	377,775	415,553	453,330	491,108
Repair and maintenance	50,000	60,000	72,000	86,400	103,680
Communication expenses	27,000	27,000	27,000	27,000	27,000
Cost of consumables	113,333	125,925	138,518	151,110	163,703
<b>Total Administrative costs</b>	<b>624,123</b>	<b>671,900</b>	<b>721,678</b>	<b>773,855</b>	<b>828,913</b>
<b>EBITDA</b>	<b>7,075,458</b>	<b>8,233,050</b>	<b>9,137,268</b>	<b>9,984,085</b>	<b>10,828,023</b>
<b>Less Depreciation</b>	<b>2,861,345</b>	<b>2,861,345</b>	<b>2,861,345</b>	<b>2,861,345</b>	<b>2,861,345</b>
<b>EBIT</b>	<b>4,214,113</b>	<b>5,371,705</b>	<b>6,275,923</b>	<b>7,122,740</b>	<b>7,966,678</b>

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
<b>Less Interest</b>	655,410	602,212	545,891	486,262	423,131
<b>EBT</b>	3,558,703	4,769,493	5,730,032	6,636,478	7,543,547
<b>Less Income Tax (20%)</b>	0	953,899	1,146,006	1,327,296	1,508,709
<b>Net Profit</b>	<b>3,558,703</b>	<b>3,815,594</b>	<b>4,584,026</b>	<b>5,309,183</b>	<b>6,034,837</b>

From table 7.12 above, it can be seen that Hug My Pet able to generate profit and continuously increased in every year since the start of operation. The net profit form first year to year 5 gradually continue to increase at the rate of 31%, 30%, 33%, 35% and 37% of the total revenue respectively. This is the results of ongoing promotional and marketing activities.

### 7.3.2 Balance sheet

Table 7.13

*Balance Sheet of Hug My Pet Hotel*

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	5,514,150	11,231,993	17,661,946	24,757,427	32,515,433
<b>Non-Current Assets</b>					
Property, plant, and equipment	29,672,850	29,672,850	29,672,850	29,672,850	29,672,850
Minus accumulated depreciation	2,861,345	5,722,690	8,584,035	11,445,380	14,306,725
Total Non-Current Assets	26,811,505	23,950,160	21,088,815	18,227,470	15,366,125
Total Assets	32,325,655	35,182,153	38,750,761	42,984,897	47,881,558
<b>Liabilities</b>					
Long-term debt	10,963,242	10,004,146	8,988,729	7,913,682	6,775,505
<b>Owners Equity</b>					
Owners Capital	17,803,710	17,803,710	17,803,710	17,803,710	17,803,710

	Year 1	Year 2	Year 3	Year 4	Year 5
Retained Earnings	3,558,703	7,374,297	11,958,322	17,267,505	23,302,343
Total Equity	21,362,413	25,178,007	29,762,032	35,071,215	41,106,053
Total Liabilities & Owners					
Equity	32,325,655	35,182,153	38,750,761	42,984,897	47,881,558

### 7.3.3 Free Cash Flow

Table 7.14

*Hug My Pet Hotel 5-year free cash flow*

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>EBIT</b>	-	4,214,113	5,371,705	6,275,923	7,122,740	7,966,678
<b>Minus Tax (20%)</b>	-	0	953,899	1,146,006	1,327,296	1,508,709
<b>NOPAT</b>	-	4,214,113	4,417,806	5,129,916	5,795,444	6,457,968
<b>Add Depreciation</b>	-	2,861,345	2,861,345	2,861,345	2,861,345	2,861,345
<b>Minus change in Working capital</b>	-	-	-	-	-	-
<b>Minus Capital Expenditure</b>	-29,672,850	-	-	-	-	-
<b>Free Cash Flow</b>	-29,672,850	7,075,458	7,279,151	7,991,261	8,656,789	9,319,313

### 7.4 Sensitivity Analysis

Sensitivity analysis must be carried out to analyze the possibility of an event that may occur and may have an impact on business operations. The analysis is performed based on three financial cases which includes base case, worst case, and best-case scenarios.

### 7.4.1 Base Case Scenario

The base case scenario describes the normal circumstances of central assumption. Free cash flow analysis is based on the data from table 7.14.

Table 7.15

*Hug My Pet Hotel 5-year free cash flow with discounted payback period, NPV and IRR.*

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>EBIT</b>	-	4,214,113	5,371,705	6,275,923	7,122,740	7,966,678
<b>Minus Tax (20%)</b>	-	0	953,899	1,146,006	1,327,296	1,508,709
<b>NOPAT</b>	-	4,214,113	4,417,806	5,129,916	5,795,444	6,457,968
<b>Add Depreciation</b>	-	2,861,345	2,861,345	2,861,345	2,861,345	2,861,345
<b>Minus change in Working capital</b>	-	-	-	-	-	-
<b>Minus Capital Expenditure</b>	-29,672,850	-	-	-	-	-
<b>Free Cash Flow</b>	-29,672,850	7,075,458	7,279,151	7,991,261	8,656,789	9,319,313
<b>DPB (6.3%)</b>		6,656,122	6,441,904	6,652,969	6,779,908	6,866,218
<b>Cumulative</b>		-23,016,728	-16,574,825	-9,921,855	-3,141,947	3,724,271
<b>Discounted payback period (years)</b>	4.46					
<b>NPV</b>	3,724,271					
<b>IRR</b>	11%					

In regard to base case scenario, from the financial return analysis above in table 7.15, it was found that this project is having positive Net Present Value (NPV) of 3,724,271 Baht with the internal rate of return (IRR) of 11% and discounted payback period of 4.46 years. As IRR with the rate of 11% is higher than the financial cost (Weighted Average Cost of Capital: WACC) of 6.3%, this indicate that the project is financially viable.



### 7.4.2 Best Case Scenario

In regard to best case scenario, the assumption on the occupancy rate is changed from the base case scenario, where the occupancy rate from when the hotel starts its operation is 50% and is increased at 5% rate every year. According to data from Ministry of tourism and sports (2022), Chonburi hotel occupancy rate from period of January to October 2022 is at an average of 48.96%. After Thai government lifted all travel restrictions since July until October 2022, hotel occupancy rate in Chonburi was having a rate of 55.97%, 57.8%, 57.68% and 60.77% respectively. It is still under recovering to pre-pandemic level at up to 70%. The free cash flow of best-case scenario is presented in table 7.16 below.

Table 7.16

*Hug My Pet Hotel 5-year free cash flow with discounted payback period, NPV and IRR in best case scenario*

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>EBIT</b>	-	4,932,260	6,077,260	6,968,885	7,803,110	8,634,455
<b>Minus Tax (20%)</b>	-	0	953,899	1,146,006	1,327,296	1,508,709
<b>NOPAT</b>	-	4,932,260	5,123,361	5,822,879	6,475,814	7,125,746
<b>Add Depreciation</b>	-	2,861,345	2,861,345	2,861,345	2,861,345	2,861,345
<b>Minus change in Working capital</b>	-	-	-	-	-	-
<b>Minus Capital Expenditure</b>	-29,672,850	-	-	-	-	-
<b>Free Cash Flow</b>	-29,672,850	7,793,605	7,984,706	8,684,224	9,337,159	9,987,091
<b>DPB (6.3%)</b>		7,331,707	7,066,306	7,229,882	7,312,767	7,358,218
<b>Cumulative</b>		-22,341,143	-15,274,837	-8,044,955	-732,188	6,626,030
<b>Discounted payback period (years)</b>	4.10					
<b>NPV</b>	6,626,030					
<b>IRR</b>	14%					

### 7.4.3 Worst Case Scenario

According to data from Ministry of tourism and sports (2022), when Thailand was still having travel restrictions in place from the month of January until June 2022, Chonburi hotel occupancy was having a rate of 42% in average. In the worst-case scenario, the assumption on the occupancy rate is changed from the base case scenario, where the occupancy rate from when the hotel starts its operation is 42% and is increased at 4% rate in the following year then 5% in year 3-5. This stem from the assumption on economic slowdown or from the new strain of COVID-19 and hence will negatively affect the hospitality business. The free cash flow of worst-case scenario is presented in table 7.17 below.

Table 7.17

*Hug My Pet Hotel 5-year free cash flow with discounted payback period, NPV and IRR in worst case scenario*

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>EBIT</b>	-	3,558,692	4,531,996	5,423,621	6,257,846	7,089,191
<b>Minus Tax (20%)</b>	-	0	953,899	1,146,006	1,327,296	1,508,709
<b>NOPAT</b>	-	3,558,692	3,578,097	4,277,615	4,930,550	5,580,482
<b>Add Depreciation</b>	-	2,861,345	2,861,345	2,861,345	2,861,345	2,861,345
<b>Minus change in Working capital</b>	-	-	-	-	-	-
<b>Minus Capital Expenditure</b>	-29,672,850	-	-	-	-	-
<b>Free Cash Flow</b>	-29,672,850	6,420,037	6,439,442	7,138,960	7,791,895	8,441,827
<b>DPB (6.3%)</b>		6,039,546	5,698,778	5,943,402	6,102,532	6,219,710
<b>Cumulative</b>		-23,633,304	-17,934,526	-11,991,124	-5,888,592	331,117
<b>Discounted payback period (years)</b>	4.95					
<b>NPV</b>	331,117					
<b>IRR</b>	7%					

Table 7.18

*Summary of scenarios*

<b>Scenarios</b>	<b>NPV (Baht)</b>	<b>IRR</b>	<b>Discounted payback period (years)</b>
Base case	3,724,271	11%	4.46
Best case	6,626,030	14%	4.10
Worst case	331,117	7%	4.95

Based on the financial analysis of all three scenarios, it was found that the project is having positive NPV. This indicate that the project can generate a profit as the net cash flow received is greater than the initial investment. IRR of all three scenarios also shown to be greater than the Weighted Average Cost of Capital (WACC), which indicating that the project is finally viable. The payback period from all three scenarios is less than 5 years. According to financial analysis results of all three scenarios, it can be concluded that Hug My Pet hotel business plan is an attractive project and is financially viable.

## **CHAPTER 8**

### **EVALUATION & CONTINGENCY PLAN**

#### **8.1 Evaluation**

Performance evaluation must be in place in order to assess and evaluate operation performance. Continual assessment of the operation will help to ensure that company's plans and budget is achieved by controlling and managing performance. Performance evaluation will be assessed in following divisions.

##### **8.1.1 Sales and marketing**

###### **(1) Revenue**

Company will have to evaluate the actual and expected revenue as well as occupancy rate on monthly basis and compare with competitors to determine and analyze if there shall be strategy that may require adjustment in order to achieve the target revenue and company's goal.

###### **(2) Marketing campaign effectiveness**

Evaluate if the implemented marketing campaign is effective by using the data from booking through marketing campaign and marketing ROI as an indicator as well as evaluate the spending and return on sales for each marketing campaign strategy. This can be done at the end of every marketing campaign. In the case where found ineffective marketing campaign, cause of the problems will be identified, and company will have to adapt and make an improvement on its marketing strategies to ensure that effective marketing campaign can be implemented for target customer.

###### **(3) Customer loyalty and retention**

The project will have to monitor and evaluate customer retention rate on annual basis and compare to previous period to ensure that at least 10% retention rate is achieved. If 10% retention rate is not achieved, company must collect feedback from customers and analyze customer needs then improve and adjust its marketing strategy as well as its services to meet customer expectations.

### **8.1.2 Operation**

#### **(1) Customer feedback**

Company must regularly review and assess customer feedback from all channels e.g. OTAs, Social media, hotel survey feedback, personal conversation and etc. on monthly basis. The aim of this is to have customer satisfactory score above 8.0 in OTAs channel. If there is any negative feedback, complaints or suggestion from customer, the hotel will have to set a plan with the associated department to get issue resolved.

#### **(2) Project cost management**

Project need to monitor and assess gross profit margin on monthly basis to determine the effectiveness of project cost management and compare to the expected target. If the project cost management found flaw, respective department will have to set an action plan to reduce the cost and keep track of the progress.

### **8.1.3 Human Resources**

As a part of human resources management, it is vital to conduct evaluation within the organization to ensure that employees are satisfied and having good well-being. Happy employees would result in good work atmosphere as well as ensuring quality service are delivered to customers.

Company shall arrange monthly meeting to discuss and provide feedback on what further improvement can company made to retain employees and their wellbeing. Additionally, managers can have one-on-one meeting with their direct reports to obtain and better understand the needs from each employee. Exit interview for those who resigned will also be significant to understand what could possibly be the problems or issues within the organization. Owner and general manager must review turnover rate on regular basis to analyze if there shall be any hidden issues.

### **8.1.4 Finance**

Since Hug My Pet hotel is new within the industry, it is critical that company thoroughly manage and control its investment and expenditure in first year of operation. Since the start of the operation, company will have to closely monitor Profit & Loss on monthly, quarterly, and annually basis to track and manage as well as comparing to the forecasted result to see whether company is on track with its

performance. This will allow company to see a clearer picture as a whole and will be able to determine whether there should be a change in strategy to achieve the target.

## **8.2 Contingency Plan**

As Hug My Pet hotel is new to the hospitality industry, it is critical that contingency plan must be in place to prevent any situational change that may negatively impact the performance of the business.

### **8.2.1 Marketing Plan**

#### **(1) Fail to achieve expected target revenue**

If the project does not generate revenue as expected or achieve lower revenue than the projected revenue which may come from lower number of visitors or lower occupancy rate, company will have to identify the root cause if the cause is from the quality of the service, marketing campaign or the flaws in its offerings. In a case where the cause is from poor quality of service and flaws in its offerings, hotel will have to reevaluate its service quality and offerings by assess customer complaints and feedback thoroughly from as many channels as possible. This will then allow hotel to identify the gap and adjust its service and offerings to achieve customer satisfaction. If the marketing campaign found ineffective, hotel will have to reevaluate its promotion and channels by reevaluating the market and target customer then adjust its promotion and channels to meet target customer expectations.

In the case where hotel fail to achieve target revenue as a result from economy, pandemic, or politics, hotel will have to closely monitor the situation and determine if there shall be any change in strategy in order to adapt to situation.

### **8.2.2 Operational Plan**

As a nature of hospitality business, this require heavy reliant on human resources and it is the main drive of the business to deliver its service and offerings. In the case where Hug My Pet hotel have faced the situation with insufficient or lack of staff, hotel will need to have contingency plan of backup workforce in place. Hotel may consider hire extra temporary staff who are from qualified workforce network or workforce recruiter to ensure that hotel can continue keeping its operation

and deliver good quality service to customers. Hotel must also rotate their staff and provide training to their employees on regular basis so that every staff have knowledge and skills in every department. This is the ideal long-term solution. This also create value to its employee and is a part of employee retention plan.

### **8.2.3 Financial Plan**

If Hug My Pet hotel fail to achieve financial goal as projected and in the situation where it lacks financial liquidity, company must first thoroughly review and revise its financial and business plan then source additional cash injections to ensure its financial sustainability. This can be done in a form of an overdraft loan and short-term borrowings from shareholders until the situation is improved. In the worst-case scenario, where the company cannot repay the debt, company must consult and negotiate with the bank to either postpone or reschedule the repayment period in order to preserve cash flow of the company. Lastly, if company in the situation where the business continues to decline, it is advisable that there should be reorganization to reduce unnecessary services and expenses as well as readjusting its marketing strategy.







- Bangkokpost. (2021, February 3). *Direct hotel bookings rise on trips*. Retrieved from <https://www.bangkokpost.com/business/2061799/direct-hotel-bookings-rise-on-trips>
- Baratti, L. (2021, December 17). Travel Sector's Labor Shortage Likely To Continue in 2022. Retrieved from <https://www.travelpulse.com/news/impacting-travel/travel-sectors-labor-shortage-likely-to-continue-in-2022.html>
- Booms, B.H. & Bitner, M.J. (1981) Marketing Strategies and Organization Structures for Service Firms. In: Marketing of Services, American Marketing Association, Chicago, 47-51.
- CCDCAM looks. (2022). Retrieved from [https://www.cctv-th.com/products\\_detail/view/2198311#:~:text=hotel%20door%20lock-,%E0%B8%9B%E0%B8%A3%E0%B8%B0%E0%B8%95%E0%B8%B9%E0%B9%82%E0%B8%A3%E0%B8%87%E0%B9%81%E0%B8%A3%E0%B8%A1%20%E0%B8%84%E0%B8%B5%E0%B8%A2%E0%B9%8C%E0%B8%81%E0%B8%B2%E0%B8%A3%E0%B9%8](https://www.cctv-th.com/products_detail/view/2198311#:~:text=hotel%20door%20lock-,%E0%B8%9B%E0%B8%A3%E0%B8%B0%E0%B8%95%E0%B8%B9%E0%B9%82%E0%B8%A3%E0%B8%87%E0%B9%81%E0%B8%A3%E0%B8%A1%20%E0%B8%84%E0%B8%B5%E0%B8%A2%E0%B9%8C%E0%B8%81%E0%B8%B2%E0%B8%A3%E0%B9%8)
- Custominsight. (2022). *360 degree feedback*. Retrieved from <https://www.custominsight.com/360-degree-feedback/what-is-360-degree-feedback.asp>
- Cvent. (2022, June 10). *Type of Hotels*. Retrieved from: <https://www.cvent.com/sg/blog/hospitality/types-hotels-21-most-popular-options>
- Datareportal. (2022, February 15). *Digital 2022:Thailand*. Retrieved from Datareportal: <https://datareportal.com/reports/digital-2022-thailand>
- DBS Group Research. (2020, May 5). *Thailand Hotel Sector*. Retrieved from <https://researchwise.dbsvresearch.com/ResearchManager/DownloadResearch.aspx?E=fdghgk-c>
- Easynet. (2022). Retrieved from Easynet: [https://www.easynet.co.th/product\\_sellout](https://www.easynet.co.th/product_sellout)
- Euromonitor International. (2021, October). *Income and Expenditure Thailand*. Retrieved from <https://www-portal-euromonitor-com.ezproxy.tulibs.net/portal/magazine>

- Euromonitor International. (2021b, September). *Lodging in Thailand*. Retrieved from <https://www.portal.euromonitor.com/statisticsevolution/index>
- Euromonitor International. (2022a, July). *Thailand Pet care*. Retrieved from <https://www-portal-euromonitor-com.ezproxy.tulibs.net /portal/magazine>
- Euromonitor International. (2022b, July). *Thailand households*. Retrieved from <https://www-portal-euromonitor-com.ezproxy.tulibs.net /portal/magazine>
- Euromonitor International. (2022c, July). *Domestic tourism market size*. Retrieved from <https://www.portal.euromonitor.com/statisticsevolution/index>
- Gaincool. (2022). Retrieved from Gaincool:  
<https://www.gaincool.com/%E0%B8%84%E0%B9%88%E0%B8%B2%E0%B8%95%E0%B8%B4%E0%B8%94%E0%B8%95%E0%B8%B1%E0%B9%89%E0%B8%87%E0%B9%81%E0%B8%AD%E0%B8%A3%E0%B9%8C.html>
- Hermann Hotel Pattaya. (2022). Retrieved from <https://www.hermannhotel.com/>
- Herrera&Partners. (2019, November 22). *Legal Structuring A Hotel In Thailand Under BOI And Hotel License*. Retrieved from <https://www.herrera-partners.com/2019/11/22/legal-structuring-a-hotel-in-thailand-under-boi-and-hotel-license/>
- HillFresco. (2020). Retrieved from <https://hillfresco.com/>
- Homepro. (2022). Retrieved from <https://www.homepro.co.th/c/LIG0301>
- ibis Pattaya. (2022). Retrieved from <https://ibis.com-pattaya.com/en/>
- International labor organization. (2011). *SOCIAL SECURITY ACT*. Retrieved from <https://www.ilo.org/dyn/travail/docs/1017/Social%20Security%20Act%20BE%202533%201990.pdf>
- Joseph, S. (2021, October 14). Amadeus. Retrieved from <https://amadeus.com/en/insights/press-release/77-percent-travelers-want-to-travel-in-next-year-Europe-top-destination>
- Kasikorn Research. (2021, November 8). *Domestic Travel Set to Recover in 2022 if There is No Severe Resurgence of COVID-19*. Retrieved from <https://www.kasikornresearch.com/en/analysis/k-econ/business/Pages/Thai-Travel-Thai-z3284.aspx>

Kasikorn Research. (2022, July 1). *Cancellation of pandemic-related restrictions on inbound tourists*. Retrieved from <https://www.kasikornresearch.com/en/analysis/k-econ/business/Pages/Unlock-z3329.aspx>

Kasikornbank. (2021, November). *SSF RMF*. Retrieved from <https://www.kasikornbank.com/th/kwealth/Pages/ssf-rmf.aspx>

Kasikornbank. (2022a). *Creditcard fee*. Retrieved from Kasikornbank: <https://www.kasikornbank.com/th/business/sme/financial-services/collection-solutions/pages/edc.aspx>

Kasikornbank. (2022, October). *Rates & fees*. Retrieved from <https://www.kasikornbank.com/en/rate/pages/lending.aspx>

Krisdika. (2022). *BUILDING CONTROL ACT*. Retrieved from [http://web.krisdika.go.th/data/document/ext809/809757\\_0001.pdf](http://web.krisdika.go.th/data/document/ext809/809757_0001.pdf)

Krungsri Research. (2021, Feb 24). *Industry Outlook 2021-2023: Hotel Industry*. Retrieved from <https://www.krungsri.com/en/research/industry/industry-outlook/Services/Hotels/IO/io-hotel-21>

Land & Houses. (2022). *How to choose the right AC for your room*. Retrieved from <https://www.lh.co.th/th/lh-living-concept/tips/how-to-choose-the-right-air-conditioner-for-your-room-size>

Lovedoger. (2022). Retrieved from [https://lovedoger.com/CT0-%E0%B8%AB%E0%B8%A1%E0%B8%A7%E0%B8%94%E0%B8%AB%E0%B8%A1%E0%B8%B9%E0%B9%88-%E0%B8%AA%E0%B8%B4%E0%B8%99%E0%B8%84%E0%B9%89%E0%B8%B2%E0%B8%97%E0%B8%B1%E0%B9%89%E0%B8%87%E0%B8%AB%E0%B8%A1%E0%B8%94%C2%A0\(186\).html](https://lovedoger.com/CT0-%E0%B8%AB%E0%B8%A1%E0%B8%A7%E0%B8%94%E0%B8%AB%E0%B8%A1%E0%B8%B9%E0%B9%88-%E0%B8%AA%E0%B8%B4%E0%B8%99%E0%B8%84%E0%B9%89%E0%B8%B2%E0%B8%97%E0%B8%B1%E0%B9%89%E0%B8%87%E0%B8%AB%E0%B8%A1%E0%B8%94%C2%A0(186).html)

Marketeeronline. (2021, December 7). *Pet humanization drive companion animal growth*. Retrieved from <https://marketeeronline.co/archives/243237>

Mayerbrown. (2008, June 10). *Thailand: Update on Thailand's Hotel Act*. Retrieved from <https://www.mayerbrown.com/-/media/files/perspectives-events/publications/2008/06/thailand-update-on-thailands-hotel->

act/files/alertjsmthailand10jun08pdf/fileattachment/alert\_jsm\_thailand\_10jun08.pdf

Ministry of tourism and sports. (2022, October). *Domestic tourism statistics classify by region and province* . Retrieved from <https://www.mots.go.th/news/category/657>

Morgan Stanley. (2021, March 3). *Welcome to the Petriarchy*. Retrieved from <https://advisor.morganstanley.com/mcqueary-schumm-group/documents/field/m/mc/mcqueary-schumm-group/Welcome%20to%20the%20Petriarchy.pdf>

NikkeiAsia. (2022, September19). *Thailand says 2023 tourism revenue to be 80% of pre-COVID level*. Retrieved from: <https://asia.nikkei.com/Business/Travel-Leisure/Thailand-says-2023-tourism-revenue-to-be-80-of-pre-COVID-level>

Oakwood hotel and residence SriRacha. (2022). Retrieved from <https://www.discoverasr.com/en/oakwood/thailand/oakwood-hotel-residence-sri-racha>

Oakwood Journey Hub Pattaya. (2022). Retrieved from <https://www.discoverasr.com/en/oakwood/thailand/oakwood-hotel-journeyhub-pattaya>

Pattana. (2022). Retrieved from <https://pattana.co.th/>

Pets Welcome. (2020, June 11). *Meet The Pet Friendly Hotel Of The Future*. Retrieved from <https://www.petswelcome.com/articles/meet-the-pet-friendly-hotel-of-the-future.html>

Pnpinternationallegal. (2022). *Hotel license service in Bangkok*. Retrieved from pnpinternationallegal: <https://www.pnpinternationallegal.com/hotel-license>

PostToday. (2018). *5 potential growth areas in Eastern Thailand* . Retrieved from <https://www.posttoday.com/property/510157>

Powerbuy. (2022). Retrieved from <https://www.powerbuy.co.th/th/tv-and-entertainment/televisions>

Provincial labor office Chonburi. (2022). *Minimum wage rate*. Retrieved from <https://chonburi.mol.go.th/en/minimum-wage>

Puranabhandu, O. (2021, September 14). Thailand's pet food market. Retrieved from <https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName>

?fileName=Thailand%27s%20Pet%20Food%20Market%20\_Bangkok\_Thailand\_08-31-2021

- PWC. (2022, July). *Corporate - Taxes on corporate income*. Retrieved from [https://taxsummaries.pwc.com/thailand/corporate/taxes-on-corporate-income#:~:text=The%20corporate%20income%20tax%20\(CIT,paid%20from%20or%20in%20Thailand.](https://taxsummaries.pwc.com/thailand/corporate/taxes-on-corporate-income#:~:text=The%20corporate%20income%20tax%20(CIT,paid%20from%20or%20in%20Thailand.)
- Royal Thai Government. (2022, July 12). *Thailand tourism boom*. Retrieved from: <https://www.thaigov.go.th/infographic/contents/details/5731>
- SBC stable plan & construction. (2022). *Service rate fee*. Retrieved from <https://www.sbccons.com/line-id-sbc59-tel-0907970002>
- Statista. (2021, Oct). *Travel & Tourism - Thailand*. Retrieved from: <https://www.statista.com/outlook/mmo/travel-tourism/thailand>
- Steve Saxon, Jan Sodprasert, and Voramon Sucharitakul. (2021, November 30). *Mckinsey & Company*. Retrieved from <https://www.mckinsey.com/industries/travel-logistics-and-infrastructure/our-insights/reimagining-travel-thailand-tourism-after-the-covid-19-pandemic>
- Steve Saxon, Jan Sodprasert, and Voramon Sucharitakul. (2021, November 30). *Mckinsey & Company*. Retrieved from <https://www.mckinsey.com/industries/travel-logistics-and-infrastructure/our-insights/reimagining-travel-thailand-tourism-after-the-covid-19-pandemic>
- Stock Exchange of Thailand . (2022). Retrieved from <https://classic.set.or.th/set/companysummary.do?language=en&country=US&choice=1&sector=TOURISM&submit=>
- ThaiPBSworld. (2021, December 5). *Pet parenting on the rise* Retrieved from <https://www.thaipbsworld.com/pet-parenting-on-the-rise/#:~:text=Thais%20love%20their%20pets,pet%20ownership%20to%20pet%20parenting>
- ThaiPBSWorld. (2022, June 28). *International headwinds offset Thai economy's gains*. Retrieved from <https://www.thaipbsworld.com/international-headwinds-offset-thai-economys-gains/>

- TheThaiger. (2022, August 7). *Thailand's hotels are short on workers*. Retrieved from TheThaiger: <https://thethaiger.com/hot-news/economy/thailands-hotels-are-short-on-workers>
- Tilleke & Gibbins. (2016, October 14). *Operating a Hotel Business: New Regulations on Using Certain Types of Building*. Retrieved from <https://www.tilleke.com/insights/operating-hotel-business-new-regulations-using-certain-types-building/>
- Top 10 travel trends for 2022. (2021, December 22). *G-Adventures*. Retrieved from: [https://www.gadventures.com/blog/top-10-travel-trends-2022/?utm\\_source=linkedin&utm\\_medium=social-organic&utm\\_campaign=social-organic](https://www.gadventures.com/blog/top-10-travel-trends-2022/?utm_source=linkedin&utm_medium=social-organic&utm_campaign=social-organic)
- Trovit. (2022). *P35LA2203100 ขายที่ดิน บ่อวิน ศรีราชา 300 ตรว ราคา 10 ล้าน*. Retrieved from <https://th.trovit.com/baan/listing/p35la2203100-%E0%B8%82%E0%B8%B2%E0%B8%A2%E0%B8%97%E0%B8%94%E0%B8%99-%E0%B8%9A%E0%B8%AD%E0%B8%A7%E0%B8%99-%E0%B8%A8%E0%B8%A3%E0%B8%A3%E0%B8%B2%E0%B8%8A%E0%B8%B2-300-%E0%B8%95%E0%B8%A3%E0%B8%A7-%E0%B8%A3%E0%B8%B2%E0%B8%84%>
- UNESCO. (2022, April 7). *Thai hotels commit to sustainability*. Retrieved from <https://bangkok.unesco.org/content/thai-hotels-commit-sustainability>
- Verywellmind. (2020, June 25). *The Color Psychology of Brown*. Retrieved from <https://www.verywellmind.com/the-color-psychology-of-brown-2795816#:~:text=Brown%20in%20Marketing&text=In%20branding%20and%20marketing%2C%20brown,%2C%20J.P.%20Morgan%2C%20and%20M%26Ms>
- WorldGovernmentBonds. (2022, November 27). *Thailand 10 Years Bond - Historical Data*. Retrieved from [http://www.worldgovernmentbonds.com/bond-historical-data/thailand/10-years/#:~:text=The%20Thailand%2010%20Years%20Government,%3A15%20GMT%2B0\).](http://www.worldgovernmentbonds.com/bond-historical-data/thailand/10-years/#:~:text=The%20Thailand%2010%20Years%20Government,%3A15%20GMT%2B0).)



The background of the page features a large, faint, circular watermark of the Thammasat University seal. The seal is centered and contains the university's name in Thai script at the top and "THAMMASAT UNIVERSITY" in English at the bottom. In the center of the seal is a stylized lotus flower with a crown-like structure on top.

## **APPENDICES**



## APPENDIX A

### GENERAL INFORMATION OF INFORMANTS AND INTERVIEW QUESTIONS

Total of 8 informants were interviewed in order to obtain information for analysis and plan the strategy to ensure that customer satisfactions and needs are met. The informants were divided into two groups; 3 people group were interviewed with focus group method and 5 individuals were interviewed with in-depth interview method. Both groups are the pet owner. Both groups are also contained mixed samples; people who had taken their pets and stayed in pet-friendly hotel and people who had never taken their pets to upcountry. All individuals who had taken their pets to pet-friendly accommodation were for leisure purpose. The researcher sent out the questions in part I in the form of google forms to collect general information data. The researcher then held the interview session and began the interview with an introduction and informed the informant of the purpose and details of the interview. Informants were acknowledged that session will be recorded, and the data obtained from informants will be kept confidential. Details of sample questions are as following:

#### Part I: General information of the respondents

##### 1. Gender

☐ Male                      ☐ Female                      ☐ Others

##### 2. Age

☐ Under 20                      ☐ 21-30 years  
☐ 31-40 years                      ☐ 41-50 years

##### 3. Education

☐ Under Bachelor degree    ☐ Bachelor Degree  
☐ Master Degree                      ☐ Higher than Master Degree

## 4. Marital status

☐Single ☐Married

☐Divorced/Widowed/Separated

## 5. Nationality

☐Thai ☐Chinese ☐Others (please specify)\_\_\_\_\_

## 6. Occupation

☐Corporate Employee ☐Entrepreneur

☐Student ☐Government officials

☐Freelancer/Self-Employed ☐Unemployed

☐Others (please specify)\_\_\_\_\_

## 7. Monthly income

☐Below 15,000 Baht ☐15,001-30,000 Baht

☐30,001-50,000 Baht ☐50,001-75,000 Baht

☐75,001-100,000 Baht ☐Above 100,001 Baht

## 8. Pet in possession

☐None ☐Dog

☐Cat ☐Others (please specify)\_\_\_\_\_

## 9. Number of pet(s)

☐None ☐1

☐2 ☐More than 3

## Part II: Focus Group and in-depth interview Questions

	Topic/questions	Follow-up questions
<b>Question 1</b>	How often do you travel with your pets and how do you normally find the pet-friendly hotels?	-What was the primary purpose of your stay? -What was the average length of stay? -How much do you normally spend on pet-friendly hotel? -If never traveled with you pets, what limited you from doing so?

## Part II: Focus Group and in-depth interview Questions (Cont.)

	Topic/questions	Follow-up questions
<b>Question 2</b>	Please tell me your positive experiences you have had with the pet-friendly hotel	-Name of the best pet-friendly hotel you have stayed in? -What can they improve further? -What was their pet policy? -What basic amenities they provided? -What type of accommodation e.g. hotel, resort, getaway house? -Nearby attractions?
<b>Question 3</b>	Please tell me about disappointments you have had with the pet-friendly hotel	-If they were to improve this, will you go back and use their service and why? -Noise or smell factor? -Hygiene?
<b>Question 4</b>	What influences your decision to stay with your choice of pet-friendly hotel?	-
<b>Question 5</b>	When you decide to stay at your choice of pet-friendly hotel, what do you look for? Please list down 5 things that are important to you.	-What features of the rooms were considered? -What facilities would you like to see in pet-friendly hotel?
<b>Question 6</b>	What is the ideal pet-friendly hotel in your perspective?	-Product (soundproof room, pet policy, daycare, play area, grooming ) -Price, Acceptable Nightly price range you normally have -Place, nearby attractions preferred ? What are ideal booking channels? Which channel was the most useful/helpful?

		<p>-Promotion, what type of promotion is ideal and most attractive?</p> <p>-People, what is ideal type of service staff?</p> <p>-Process, what is ideal hotel process?</p> <p>-Physical evidence and Presentation, preferred interior design, furniture specifically designed and build for pet?</p>
<b>Question 7</b>	How likely are you going to stay in Hug My Pet hotel, and why?	What can be exclude or include?

## BIOGRAPHY

Name	MR. EKAPOL PRUENGPANYANONT
Date of Birth	August 22, 1990
Educational Attainment	2014, Bachelor of Engineering, University of Sunderland, United Kingdom
Work Position	Cluster Biodevice Support Specialist
Work Experiences	Cluster Biodevice Support Specialist Zoetis (Thailand) Limited

