

MARKETING INNOVATION EFFECTING THAILAND'S HOTEL BUSINESS PERFORMANCE

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ABSTRACT

This research aims to 1) study the influence of marketing innovation on the performance of hotel business in Thailand and 2) to analyze patterns of direct influence, is the influence of marketing innovation on the performance of hotel business in Thailand,

The population and the sample group this research uses quantitative research. Data from 200 hotel business operators, analyzing with descriptive statistics and a structural equation model (SEM). The results showed that marketing innovation influenced operation. It shows that creating the right marketing innovation is important to the performance of the hotel business. in Thailand,

The results showed that marketing innovation influenced operation. It shows that creating the right marketing innovation is important to the performance of the hotel business. It is to satisfy and retain customers by offering quality products and services. In addition, more emphasis is placed on building a competitive advantage strategy, especially for the company's profitability performance.

Keywords: Marketing Innovation, Competitive Advantage, Business Performance, Structural Equation Model, Thailand's Hotel Industry

INTRODUCTION

Nowadays, it is an era of technological transformation to a social media and digital driven society. Human behavior has changed from the original. Due to the advancement of technology and the higher quality of the internet, a new form of commerce has emerged through online trading and digital use in all dimensions of economic activities, including the hotel business. The hotel business is related to the tourism sector. Gross Domestic Product (GDP) in accommodation and food service activities in 2019 was worth 1.03 trillion baht, accounting for 6.1% of the country's GDP. Thailand also has an advantage in cost of living and room rates that are cheaper. This makes tourism in Thailand that is called value for money as well as more convenient transportation from the gradually developed infrastructure. Before it is gradually recovering under the new lifestyle base (New normal) after the COVID-19 crisis, such as keeping a distance direct contact reduction. For this reason, traditional business practices may not be sufficient to meet the needs of changing travelers. Tourism and hotel business operators should accelerate their adaptation in order to continue their business sustainably, for example, using more modern technology to build confidence among tourists and maintain competitiveness. In addition, modern

technology is also enhancing the tourism value chain, which is complicated because tourism is an economic sector that is linked to many business sectors such as hotels, tour operators, transportation, food businesses, retailers, raw material suppliers. Local business operators, etc. It helps entrepreneurs in the chain to connect through various platforms and develop their business to meet the needs of different and diverse tourists (Hameed et al., 2021). In addition, the analysis of the needs of tourists is different and diverse. It offers services that meet individual needs whether it's a travel plan interested activities and appropriate budget. It takes advantage of technological advancements that make data collection and processing processes more efficient and highly relevant to the needs of individual travelers (Purchase & Volery, 2020).

Therefore, the hotel business must adapt to the situation and find more channels to reach hotel customers. The importance of adaptation, enhancing work efficiency and elevating business competitiveness focus on research and development in management. These will result in various business organizations inventing strategies and finding management tools in terms of marketing. Moreover, it is including modern knowledge that can promote and lead the organization to progress and have a prosperous and sustainable business (Tong-On et al., 2021). In term of technology and communication innovations are also applied to improve the organization. Therefore, the study of digital marketing innovations in the hotel business is an important part in integrating knowledge. These are applied in formulating marketing strategies of the hotel business and as a guideline for the development of marketing innovations in the hotel business.

RESEARCH OBJECTIVES

1). study the influence of marketing innovation on the performance of hotel business in Thailand

2) to analyze patterns of direct influence, is the influence of marketing innovation on the performance of hotel business in Thailand

Population/Sample Group

The population consists of consumers from 200 hotel business operators The sample consisted of a consumer survey and an internet research sample using quantitative research collected from 200 carriers analyzed by Structural Equation Model (SEM). All in all, it has to be made new.

LITERATURE REVIEW

Marketing innovation

Marketing innovation is the use of new marketing methods that involve significant changes in product or packaging design, product placement, promotion or pricing of products. These aimed at meeting customer needs, new market opening or the positioning of a company's products in new markets (Chen, 2006). 2012). According to study of the role of service innovation in increasing the efficiency of new services. It was found that service innovation does not end with the discovery of new service methods. But its value lies in facilitating and creating results that benefit customers as well as creating value in new markets. Therefore, digital marketing innovations come to meet the needs of today's consumers.

Including the hotel business, it uses 4 marketing innovation strategies that adapted from Ansoff 1987's theoretical concepts as follows: 1) Market Penetration is a strategy to increase sales for existing products by offering new innovations to existing customers who come to use the hotel's services and come back to use the service again. 2) Market Development Strategies is a strategy by using opportunities from existing products for target and customers. This is the focus bring more distribution channels using existing products Increase sales and create new customers from selling through various channels. 3) Product & Services Development Strategy is creating

new products for current customers to have the opportunity to develop products to meet the needs of existing customers. It is a strategy to increase sales in the original target market.

While a study by Gupta et al., (2016) examined the effect of innovation ability on export performance of small and medium enterprises in Turkey. It was found that innovation ability affects export performance. It demonstrates that SMEs can achieve competitive advantage by improving their innovation capacity by means of improving and managing technologies for innovation. It is a tool, method, or process that is used as a concept for creating a strategy, value added to the products and services of the hotel business. They are outstanding, be unique and elevate the hotel business to have products and services that meet the needs of customers in depth (Purchase & Volery, 2020).

Competitive advantage

Competitive advantage is the key to beating your competitors and generating good returns on business. It is the key factor that will lead your business to success. A business with a high competitive advantage that will lead to success in high business performance compared to other competitors. According to related research, it was found that differentiation in products, services, quality and innovation businesses must try to develop their products and services to differentiate themselves from their competitors. By making customers it seem that they are more valuable than competitors. Adding value to goods and services in customer service to be able to increase the value of basic goods and services. They must take into account psychological needs, which is considered to be expected product. This is the value that the customer expects in exchange for the service provided for the money that he or she has to pay. It must also take into account the provision of services, such as additional services, which consist of various services C. Quality of the product or quality of service will create opportunities for operational managers and a competitive advantage. These aims to think of creating customer value in terms of quality and how it can continue. These forms of strategy may persist, but operations management may need to integrate some things to be effective and achieve a competitive advantage (Duric, Z., & Potočnik Topler, J., 2021).

Business performance

It is a performance appraisal, most often used to measure the performance of employees in industrial plants. Nowadays, various assessment methods are used. Most are interpreted in numbers according to a person's abilities make the assessment more certain. The components of the assessment are both quantitative and quality for business to consider salary increases for employees and to assess the performance of middle and senior executives, as well as to evaluate the current business performance. In this study performance refers to the results from operations that enable the organization to achieve its goals with efficiency, consisting of 1) Financial Performance refers to the ability to generate profits of the company and 2) Non-Financial Performance means satisfaction and retain customers by offering quality products and services (Duric, & Potočnik Topler, 2021).

Methodology

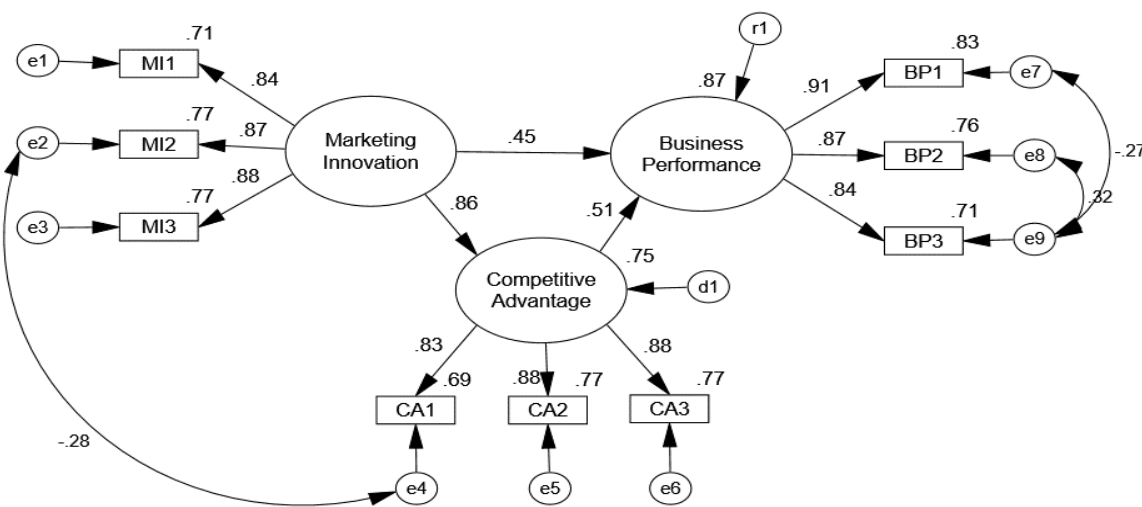
Population and random sampling were performed using simple random sampling method, where the size of all standardized sample groups was 200. A size determination was considered appropriate (Schumacker & Lomax, 2012; Hair et al. al., 2010). The researcher used the questionnaire as a tool for collecting quantitative data, which is the development of a 5-level rating scale questionnaire (Likert, 1972). The development of valid questions has been developed and some measures related to the newly studied issues are suitable for the context of the review study. It is related literature. There was a criterion to find the stratified range (Best, 1998). Then the researcher examined the measure using the alpha coefficient method. (α -coefficient) of 0.897 is considered high confidence (Cronbach, 1990).

The researcher used descriptive statistics by analyzing the software package. Standard Regression Weights or Estimate must be statistically significant for all factors ($|t| \geq 1.96$) or C.R. (Critical Ratio) (Lauro & Vinzi, 2004) and Structural Equation Modeling (SEM) by estimating

the maximum likelihood parameter (ML) and checking the harmony of the measurement model with the Goodness of Fit Measures according to the criteria. These analysis is follows Hair et al., (2010).

The results of this research

This study examined the relationship between the variables Marketing Innovation, Competitive Advantage and Business Performance. These are considered the standard component weights were statistically significant for all factors ($|t| \geq 1.96$) or the C.R. (Critical Ratio) value. As shown in Figure 1 and Table 1, the result of checking the consistency between the model of the conceptual framework and the empirical data, it was found that the model was in harmony with the Model Fit, the Chi-square test value ($\chi^2 = 29.831$), $df = 21$, CMIN/DF (χ^2/df) = 1.421, $p = .095$, GFI = .979, CFI = .997, AGFI = .955, NFI = .989, RMSEA = .036, consistent with empirical data and to verify the consistency between the measurement model and the empirical data (Goodness of Fit Measures) using accepted standard criteria. As shown in Table 2, the results met all criteria (Hair et al. 2010; Lomax & Schumacker, 2012).



Chi-square (χ^2) = 29.831, $df = 21$, CMIN/DF (χ^2/df) = 1.421, $p = .095$, GFI = .979, CFI = .997, AGFI = .955, NFI = .989, RMSEA = .036

Figure 1 Final Model

Table 1 Factor correlation analysis, structural equation model

Correlation Analysis		Estimate	S.E.	R ²	C.R.	P
Competitive Advantage	<--- Marketing Innovation	.865	.048	.748	16.760	***
Business Performance	<--- Marketing Innovation	.452	.081	.872	5.598	***
Business Performance	<--- Competitive Advantage	.515	.088		6.336	***
BP1	<--- Business Performance	.910		.828		
BP2	<--- Business Performance	.871	.043	.759	22.417	***
BP3	<--- Business Performance	.841	.054	.708	18.428	***

Correlation Analysis			Estimate	S.E.	R ²	C.R.	P
MI1	<---	Marketing Innovation	.843	.050	.711	19.847	***
MI2	<---	Marketing Innovation	.875	.046	.765	21.154	***
MI3	<---	Marketing Innovation	.875		.766		
CA1	<---	Competitive Advantage	.833	.047	.695	19.562	***
CA2	<---	Competitive Advantage	.879		.773		
CA3	<---	Competitive Advantage	.877	.047	.769	21.561	***

Remark: The level of statistical significance *** p < .001

TABLE 2 Model Fit Analysis

Fit index	Symbols	Criteria	result	Fit index
Chi-square	χ^2	Ns. (p > .05)	29.831(p=.095)	Pass
Relative Chi-square	χ^2/df	$\chi^2/df < 3.00$	1.421	Pass
Goodness of Fit Index	GFI	>.90	.979	Pass
Comparative Fit Index	CFI	>.95	.997	Pass
Normal Fit Index	NFI	>.90	.989	Pass
Adjusted Goodness of Fit Index	AGFI	>.90	.955	Pass
Root Mean Square Error of Approximation	RMSEA	<.08	.036	Pass

Source: Joreskog & sorbom (1989); Hair et al. (2010); Lomax & Schumacker, 2012; Kline (2015)

Hypothesis testing

To test the research hypothesis, the researcher used the t-test (C.R.) and considered the p-Value, which was set at the .05 level, and the relationship of each pair of factors by predictive factors or independent factors with follow factors. They used the method of estimating the maximum likelihood parameter (Maximum Likelihood : ML), the analysis results showed that the standard regression coefficient (coef.) of each correlation path (Path Model) according to the research hypothesis found that the t-test was found to have a level of statistical significance. All hypotheses were supported (Table 3).

Table 3 Hypothesis Result

Hypothesis	coef.	t-test	TE	DE	IE	Test Results
H1: Business performance <--- Marketing innovation	.452	5.598	.897	.452	.445	Supported
H2: Competitive advantage <--- Marketing innovations	.865	16.760	.865	.865	000	Supported
H3: Business performance <--- Competitive advantage	.515	6.336	515	.515	000	Supported

Hypothesis 1: Marketing innovation has an influence on business performance. The results of the hypothesis test found that there was a standard regression coefficient (coef.) = .452. There was a statistically significant $p < .001$ true assumption.

Hypothesis 2: Marketing innovation influences Competitive advantage. The results of the hypothesis test show that there is a standard regression coefficient (coef.) = .865, there is a statistically significant $p < .001$ true assumption.

Hypothesis 3: Competitive advantage has an influence on Business performance. The results of the hypothesis test found that there is a standard regression coefficient (coef.) = .515. There is a statistically significant acceptance of the hypothesis $p < .001$.

SUMMARY AND DISCUSSION

Innovation Influences Competitive Advantage shows that most innovations come from reinvent production methods have been improved. It is novel and modern that effort to seek new business opportunities to create new products, new target market and organizational development, including supporting competitive advantages. This is also caused by changes in the external environment whether is technology modern knowledge inevitably affects the development of innovation.

Therefore, businesses should develop new concepts or methods or build upon existing. They are created a new one through the process of using knowledge Creativity to create value of goods or services (Purchase & Volery, 2020; Gupta et al., 2016). It shows that the creation of competitive advantage is related to the performance, which here means financial performance and operating results that not financial. The financial performance is the profitability of the company in all aspects and the non-financial performance. It is about creating satisfaction and retaining customers by offering quality products and services. Hotel operators focus on creating competitive advantage strategies, especially for non-financial performance. They emphasis on customer satisfaction and retention and quality service (Duric, Z., & Potočnik Topler, J., 2021).

Marketing innovations influence performance. It showed how to create appropriate marketing innovations. This is important to the results operation of the hotel business. Innovation management is widely recognized as an important factor in increasing hotel performance leads to innovation research, examination of innovation initiatives and behavior hotel innovation. The impact of innovation and innovation behavior on financial performance and not financial And innovation behavior has a positive effect on customer orientation in business (Duric, & Potočnik Topler, 2021).

SUGGESTION

A research study on factors affecting the competitive advantage of domestic hotel chains. Thailand compared to neighboring countries. This results in the development of concepts related to the concept of creating competitive advantages for hotels. It can apply this model to their own hotels to gain competitive advantage. However, the recommendation is that the company should be ready to support and pay attention to the external environment. It allows individuals in the organization to be creative, innovative. Because innovation capability is the key to the survival of an organization in an uncertain situation. In addition, future studies should analyze other factors such as Customer relationship building consumer behavior and sustainability. They are including the data of different types of businesses that should be compared to see if there are differences in opinions on the survival of the company in a volatile situation.

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