

**SMALL SIZED HOTEL ENYTREPRENEUR DECISION DURING
POLITICAL CRISIS IN THILAND**



**SMALL SIZED HOTEL ENTREPRENEUR DECISION DURING
POLITICAL CRISIS IN THAILAND**

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CRISIS IN THAILAND

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Small Hotel Entrepreneur Decision during Thailand Political Crisis in Thailand (40 pp.)

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ABSTRACT

Researcher had extensively explored into aspect of how political crisis affects small hotels, in Bangkok and importance in decision making process.

However the field of research on building an integrative model under political crisis is uncultivated. The systematics decision model in political crisis, is built in this paper by integrating factors in to decision making model under crisis: Examining two real life cases developed by Dechao Zeng and Xiayu Zhang 2014

There are four main elements in the construction of the decision process model under political crisis, psychological effects, risk and uncertainty and past experiences and characteristic of decision maker.

The model is expressed in two formats. The first is in mathematical formulas, the second is in the form of flowchart that turns the abstract thinking in to a concrete phrase which is individual quo, identification, development and selection.

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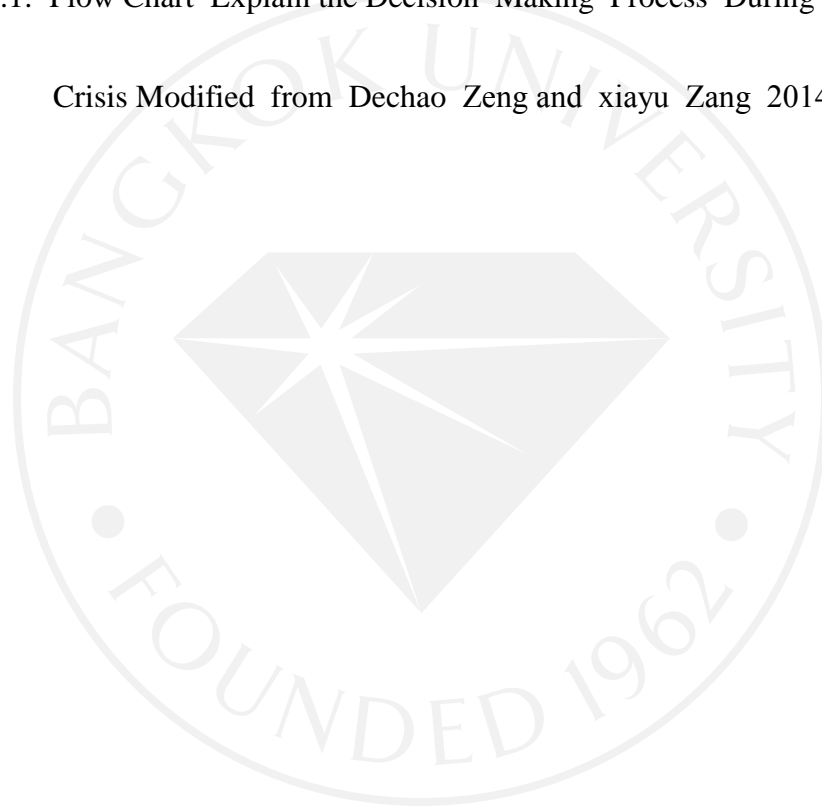
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CHAPTER 1

INTRODUCTION

1.1 Background

Political crisis is one of the situations that significantly affect business operations

When such crisis took place in Bangkok, Thailand during 2012 to 2013 causing the economic to slow down significantly, the small entrepreneur has to rapidly strive their business in accordance with their lower income and still have to support their operating cost, in order to do so the entrepreneur has to make appropriate decisions.

However each entrepreneur has different characteristics and different procedures in making decisions in accordance with their experience.

Therefore it is interesting to study types of decisions that would be appropriate in solving and finding solutions to the problems during the period of political crisis.

Moreover the researcher should get more chain hotels to participate.

Most important of all researchers should not do this topic when there is a military rule and should wait until civilian government is in control.

1.2 Statement of the Problem

The political in Thailand is constitutional monarchy, according to the constitution of Thailand the King mainly represents the whole nation and does not have much power, but sometimes appears as a mediator to the political crisis.

In Thailand Prime minister is the head of the government and is usually taken up by coalition government, many times in passing laws and trying to push any economic stimulation for the country are opposed from the opposition.

Though majority of Thai people believes in Buddhism that leaves the kind of impressions to the foreign travelers that Thai people are kind and modest,

During the past 62 years Thailand had gone through more than 20 times of political crisis,

The latest political crisis took place 2012-2013.

During this crisis had caused the economic to slowed down significantly in order for small hotel to sustain their business and employees the small business have to make appropriate decisions in accordance with their lower income while their cost remain the same level as before the political crisis.

However each small entrepreneur having different characteristic and different procedure in decision making have to do their best in making decision in accordance with their experiences.

Therefore it is interesting to study about how these small hotels entrepreneur do during the crisis.

The political crisis has great impact or profound effects upon the tourism industry.

However if such crisis could be solved quickly it would have little or no effects on the nation economy. 1.8 million out of 67 of total Thai population are engaged or involve in Thailand's Tourism industry which bring in \$ 264 billion of national revenue which is about 6% (Song & Lin, 2009)

During 2008 Thai political crisis which was one of the most serious crises in 17 years caused a huge damage to the Thai Tourism industry (Song & Lin, 2009)

The Tourism Authority of Thailand had reported that in 2008 during the crisis about 70% of the chartered flight had been cancelled and by the year end of 2008 only about 30s chartered flight flown in instead of 100s chartered flight normally flown in to the country which cost Thailand 10 billion Baht loss of revenue (Song & Lin, 2009)

In 2009 the foreign tourist was 12.5 million 14% less compare to 14.5 million in 2008 (Song & Lin, 2009)

The revenue from tourist was 4 Trillion which was also less when compared to 5.4 Trillion TH B in 2008 also the effects of this crisis had continue into 2010 the tourist had declined by 23% at which Thailand had lost revenue of more than 1 Billion Thai Baht\

Occupancy rate of major hotels in Bangkok was 53% compare to 70% normal occupancy rate during the time of the year and the average rental rate was United States Dollars (\$) was 93 per unit (Song & Lin, 2009)

Because of the demonstration against the government in 2013 had caused another

profound affects to the economy of Thailand as well as small hotels in Bangkok Song, (2014) by the government of Thailand announced and implement state of emergency causing economy to slowed down significantly, these small hotels with the lowering of income have to support their operating cost and their employees.

In order to sustain their business these affected small hotels have to make appropriate decisions.

This could largely group in to three main theories, which are

Normative, descriptive and prescriptive.

Differences between normative and descriptive are in the principal and are very simple.

Normative theory describe about how decision should be made, while descriptive is how decision is actually been made.

While prescriptive tries to design to improve the decision process. (Chen Q i P1,2013)

When entrepreneur encounter crisis or difficult situations the small entrepreneur should look into things such as.

1. Why the hotel entrepreneurs have to response to such crisis?
2. How the hotel entrepreneur react to the crisis.
3. What kind of decisions should the hotel entrepreneur employ.
4. How the hotel entrepreneur utilized the decisions taken to promote their

Business.

Entrepreneur must break through their own thinking by recognized the external world that unexpected things can happen and entrepreneur should prepare to deal with changes,

In this fast changing business environment and unforeseen future to come leadership

Play an important role in making the decision appropriately include macro decision making management behaviors as well as each individual personality.

However each small entrepreneur having different procedure in decision making have to do their best in making decisions in accordance with their experiences.

Therefore it is interesting to study about these small hotels entrepreneur do during the political crisis.

1.3 Purpose of these Studies

To try to find solutions to the problems which are as follows?

1. Why the small hotel entrepreneurs have to response to the political crisis?
2. How these small hotel entrepreneurs react to the crisis
3. What kind of decisions did the small hotel entrepreneur employed?
4. To investigate how hotel entrepreneur utilized those kind of decisions to promote their business? In 2009 foreign tourist was about 12.5 million compared to 14.5 million in 2008 a good 14% deduction in 2009 compare to the year before.

1.4 Scope of Research

In this research the researcher applied qualitative method to see how political crisis in Thailand affects hospitality industry and how entrepreneur adopted decision making to cope with such crisis.

Senior manager of the small hotels entrepreneur who has authority to make decision for the entrepreneur was chosen as respondent.

The researcher shall use in-depth interview methods with the respondents because of the followings advantages.

1. Researcher feel that by One – to one in depth interview could reduce the

Pressure of group respondent.

2. By doing one communication would make the respondent feels that they are being focused and would create a friendly environment where the respondent could express their view on the subject more easily.

3. by doing One to one interview the researcher could encourage respondent to give their sincere and more openly on the subject.

1.5 Participants on the Subject

The researcher shall interview those who are senior manager and or stake Holder of the small hotel entrepreneur who have authority in making certain decisions when political crisis arise.

1.6 Period of the Study

The research was done during May 2014, Opinions of small hoteliers and tourism industry collected.

1.7 Importance of Research

Hotel and tourism industry plays an important role in Thai economy For many years it contributes the biggest amount of foreign currencies revenue of Thailand had been earned through hotel and tourism industry. Hotel and tourism industry also helped to developed and drove other series of related industries (Credit Suisse, 2014)

1.8 Benefits of this Research

Over 2 million of entrepreneur is small and medium enterprises which accounted over 90% of total business enterprise and are huge contributor to gross

domestic product G.D.P. (Credit Suisse, 2014)

However, due to various crises, many banks in Thailand had come out with a very rigid rule in loaning, rule and regulations.

Which make it difficult for the small and medium entrepreneur to get loan with reasonable rate of interest?

Decision making means that decision maker should be able to execute according to the plan within the limited time and limited resources in order to be able to cope with crisis.

Decision making before crisis should be done for preventive purpose of accidental event by optimizing organizational structure and ability to supervise effectively.

When making decision the entrepreneur should considered the following.

1. External environment
2. Internal environment
3. Physiological environment
4. Risk
5. Experience from the past.

In a state where it is not stable, subjective cognition is not certain. The consequence of the decision is also very difficult to predict .Therefore the decision maker should have sufficient knowledge and experience.

1.9 Definitions of terms

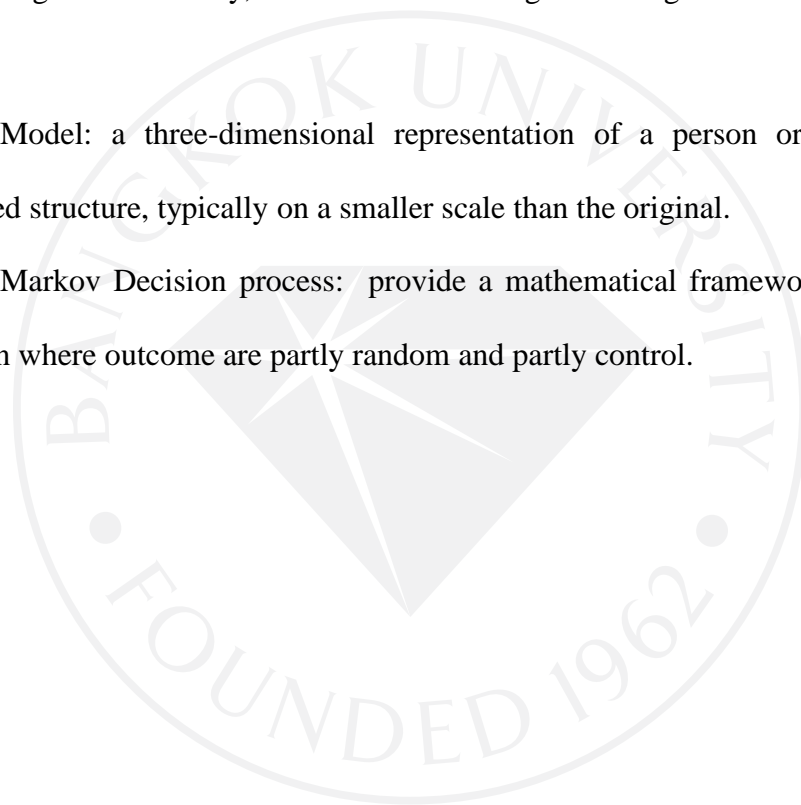
Decision making process - Decision-making is regarded as **the cognitive process** resulting in the selection of a belief or a course of action among several alternative possibilities. Every decision-making process produces a final choice that may or may not prompt action. Decision-making is the process of identifying and choosing alternatives based on the values and preferences of the decision-maker.

Political crisis – A crisis is any event that is, or is expected to lead to, an unstable and dangerous situation affecting an individual, group, community, or whole society.

Crises are deemed to be negative change in the security, economic, political, societal, or environmental affairs, especially when they occur abruptly, with little or no warning. More loosely, it is a term meaning "a testing time" or an "emergency event".

Model: a three-dimensional representation of a person or thing or of a proposed structure, typically on a smaller scale than the original.

Markov Decision process: provide a mathematical framework for modeling decision where outcome are partly random and partly control.



CHAPTER 2

LITERATURE REVIEW

2.1 Hotel and Tourism Industry

Thailand has tropical monsoon climate, with enriched tourism resources, located in the middle part of golden triangle and have many small islands in the southern part of the country with many places of interest, and rich in culture such as long coast line numerous gulf bathing place.

It also has many interesting places such as beautiful Buddhist temples with charming and people and is well known by foreign travelers as “Land of Smile” Because of unique culture, friendliness as well as tropical weather, Thailand could attract tourist around the world to visit the country.

Thailand tourism started in the beginning of 20th century, with the Thailand start to developed the tourism industry 1970 and entered its' prime time during 1980 , new hotels rooms was constructed and reach 46,000 rooms and there were 1.8 million visited the Kingdom of Thailand during 1980 s.

In early 1980s Thailand earned \$ 430 million from the tourism industry alone which accounted for 1.3% of gross domestic product (G.D.P.) of the country which is 6.6% of the export amount.

In 1982 the number of tourist coming to Thailand had reached 2.2 million, Thus the demand of the rooms for tourist to stay was also increased and 74,000 rooms was available in 1982.

Thailand also earned \$ 970 million from the tourism industry during 1982

In 1983 tourism industry was the 3rd largest contributor of income, for Thailand, the first two (2) largest income contributor to Thailand was from export of rice and rubber

1990 tourist that come to Thailand had increased drastically and had reached 5.3 million and income from tourism industry reached 4.17 Billion which accounted for 4.9% of Thailand gross domestic product (G.D.P.) and 17.4% of total export amount.

Before 1983 Thailand eared its' foreign currencies through export,

The main export are agricultural product such as rice and rubber but in 1983 the tourist coming to Thailand had reached 5.3 Million and the foreign currencies earned through these tourist reach 4 Billion United States Dollars (\$) and was the third largest sources of foreign currencies Thailand earne.

Thailand expected tourist to reached 6 Million but the target were not met only 5.3 Million came to Thailand because of many reasons.

1. The world economy was down
2. The Gulf war started and the world' economy was affected
3. Thai domestic problems such as high traffic , higher demand of rooms had caused hotel's price in Bangkok , Thailand to be higher

Even though in 1991 foreign tourist was less than the year before, foreign exchange income from tourism still remain a main source of income of foreign exchange for Thailand.

With financial crisis in Thailand during 1997 terrorist attack of World Trade Center (9- 11), in 2011, riots' in south of Thailand.

America and Iraq war started in 2003

With so many events happening around the globe as well as natural disaster in Thailand

causing a lot of damage to Thai tourism industry.

Entrepreneur had somehow survived through those crises and also helped other related industry such as construction of roads energy as well as food industries creating jobs for rural and urban areas.

2.2 Effect of Political crisis on Tourism and Hotel Industry

During the recent political crisis 2012 – 2013 had caused decline in international tourism coming during 3rd quarter of 2013 and carried through 2014 report by Tourism Authority of Thailand that tourist coming to Thailand had declined by about 5% or about 400,000 during January to April 2014 compared with the same period the year earlier. In 1980s many scholars that had studies about tourist and terrorist (Richter 1983) Says tourist is an easy target for the terrorism because they represent the country they are from also extensive media reports as well as multinational government policies aims against terrorist promote tourist to become pray of the terrorist.

Sonme (1998) explain about the relationship between tourist, terrorism and political crisis through systematical analysis about motivation of tourist when planning their destination, effort of crisis management, in recovery of marketing.

(Sevil F. Somez and Alan R. Graefe 1998) conduct an empirical research of impact of terrorism events to decision making of outbound travelling by tourist through the methods of sending letters and direct telephone of the risk perception and tourism experience, age, gender, income.

And have conclude that risk perceived and income have direct impact on decision making of selecting destination.

Outbound experience and education level have indirect impact of decision making in choosing destination.

After 1998 the scholar took further step in studying impact of terrorism upon tourism and how to deal with the crisis?(Blake & Sinclair ,2002) conducted studies about how to deal with the impact of terrorism and the conclusion of the study that specific target grant, tax deduction are few ways to deal with tourism management effectively.

Yu & Kobina (2002) studies about the reaction of Washington hotel when September 11 (9.11) crisis happened trying to see how the hotel industry corporate with other authority to cope with unforeseen crisis, in order for the others hotel could refers to the lesson and Washington' hotel experience to tackle and try to prevent the crisis that could happen in the future.

Tarlow (2003) had studied about terrorism activities and concludes that terrorism had now change activity from creating panic and fear to activities that would destroy civilization such as Statute of liberty and Eiffel Tower could become target of terrorism because they symbolized the civilization of the country that the symbol is.

Safety is another primary factor for the terrorist to attack, thus the researcher proposed a mechanism of safety and risk management.

Belinda Atkins, Joseph K S Chew, Daniel Gschwind. Alen Parker (2003)

Had mentioned about 911 event Bali bombing have a profound effect worldwide as well as the related to tourism industry.

Especially on big hotels and therefore hotels that are large scale should pay attention on the safety measurement (Ritchie, 2004) had once conduct a research about

crisis management, and proposed a strategic method of crisis management.

He thinks that public as well as private route can be used to control certain impact when the impact of the crisis cannot be avoided.

2.3 Types of decisions during crisis

Classical decision making theory originally decision behavior is a classical economic theory where the decision is assumed to be perfect rational.

During 1950s Simon, put forward theory of bounded rationality.

Putting boundaries that decision maker limited by set of constraints. Such as ability to get information's needed.

The hypothesis set by Simon during 1950s motivated by psychologists and Economists to investigate further about decision making behavior.

Many scholars in psychologist such as Kahnemen, Tversky starts to publish their papers in 1970s. Discussing about the importance of decision behavior including framework, judgment confidence, **past experience** and their emotional state of mind decision making included.

2.4 Risk and uncertainty.

Table 2.1: Risk Classification (Source: Tameka and Buchanan 2000 in Tse 2006)

Likelihood	Consequences				
	Very or No Significant	Minor	Moderate	Major	Catastrophic
Almost certain	H	H	E	E	E
Likely	M	H	H	E	E
Possibly	L	M	H	E	E
Unlikely	L	L	M	H	E
Rare	L	L	M	H	H

Risk Classification (Source: Tameka and Buchanan 2000 in Tse 2006)

Risk classification is a good tool for looking or defining the probability.

Establishing risk classification is a time consuming.

Once established it could be used in establishing the standard for the decision making under political crisis.

How decision is made also depends on how the decision maker see what consequence the organization would be effected.

Such as the decision would decide to do thing differently if he perceived higher Risk than if he perceived that the event would cause moderate effect. The organization.

Risk, uncertainty is correlated as knights (1921) pointed out that uncertainty is abasic fact of life. And that risk is a case under uncertainty and has relation with disagreeable event (Knight, 1912).

Suddenly in mid 90s, an abundance of researchers started to research about the importance of decision making.

The process involve how psychology of an individual effects in decision making limitation of information as and urgency in decision making.

However, very little research has been done about integrating making decision model during the political crisis.

2.5 Psychological effect during time of Crisis.

Psychological emotions are the determinant role in decision making process (Yin, Yan & Augustine, 2010) 2014. Decho Zeng and Xiaoyu Zhang concluded that Decision process could be largely as Mintzberg stated be divided in to three stages which are identification, Development, and choice.

Zeng & Zhang ,(2014) in their research concluded that in real life when making decision factors such as risk and uncertainty, psychology state of the decision maker and character should be looked in to.

They had integrated the three factors which are risk and uncertainty, psychology state of mind and character of decision maker in their decision model.

Decision making process is concerned as stochastic and dynamic Dr.Decho Zeng and Dr. Xiaoyu . Zhang, (2014)Simple mathematical form was developed.

$$D1 = f1 (E, R, C) (1)$$

$$Dn = (E, R, C, Dn-1) (2)$$

$$\text{Lim } Dn = (E, R, C) (3)$$

$$n \rightarrow \infty$$

D1 the first equation above is when the decision maker make decision for the first time.

D2 is the decision made for the second time where the decision made before was

considered when the decision maker makes decision.

Third equation shows Markov property that after making decision in the similar situation many times the decision maker break free from the past experiences and make decision solely by considering only environment, risk and chart eristic and psychological state when making decision.(Zeng and Zhang ,2014)

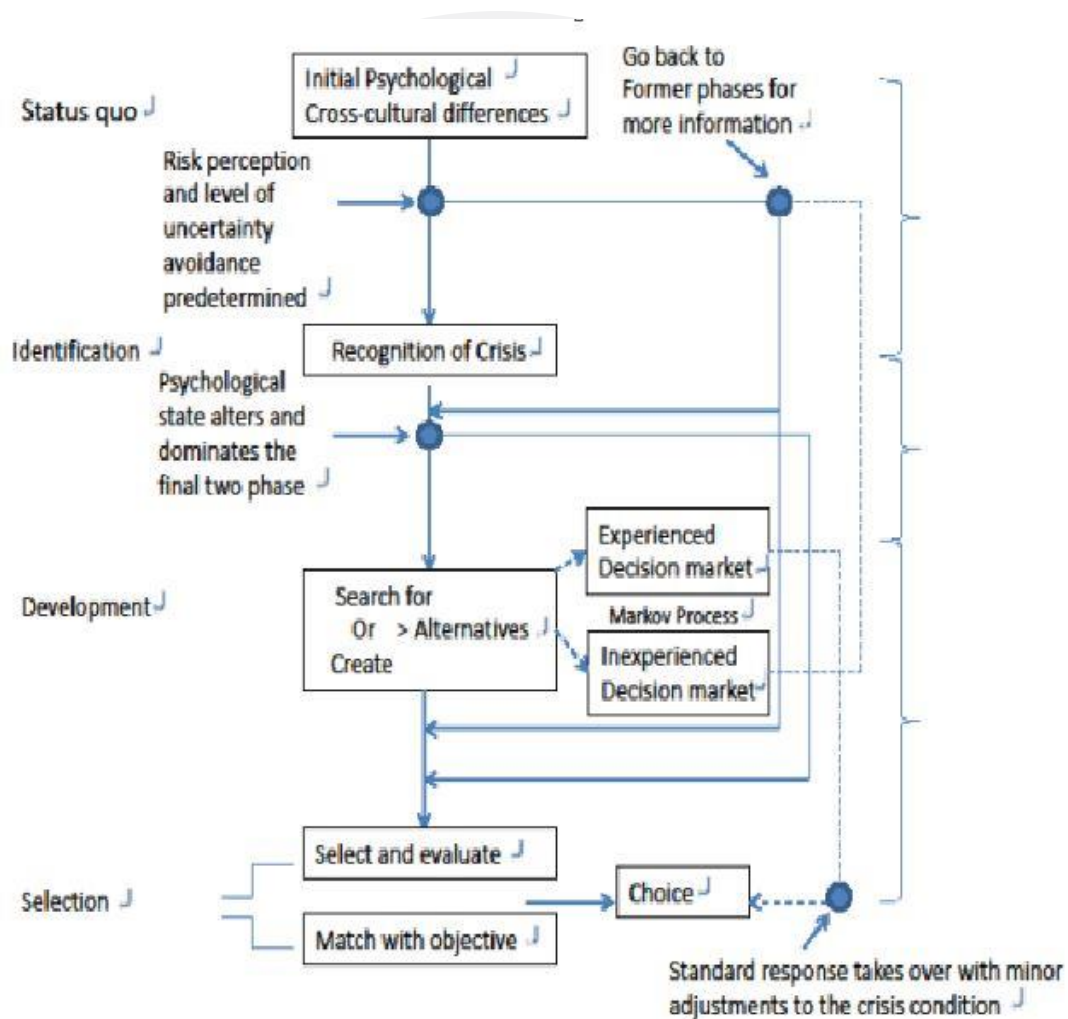


Figure 2:1: An Integrative Decision Making Mode Under Crisis: Examining Two Real life Crisis Decision Making Cases Issn:1857-7881 Journal May ,2014

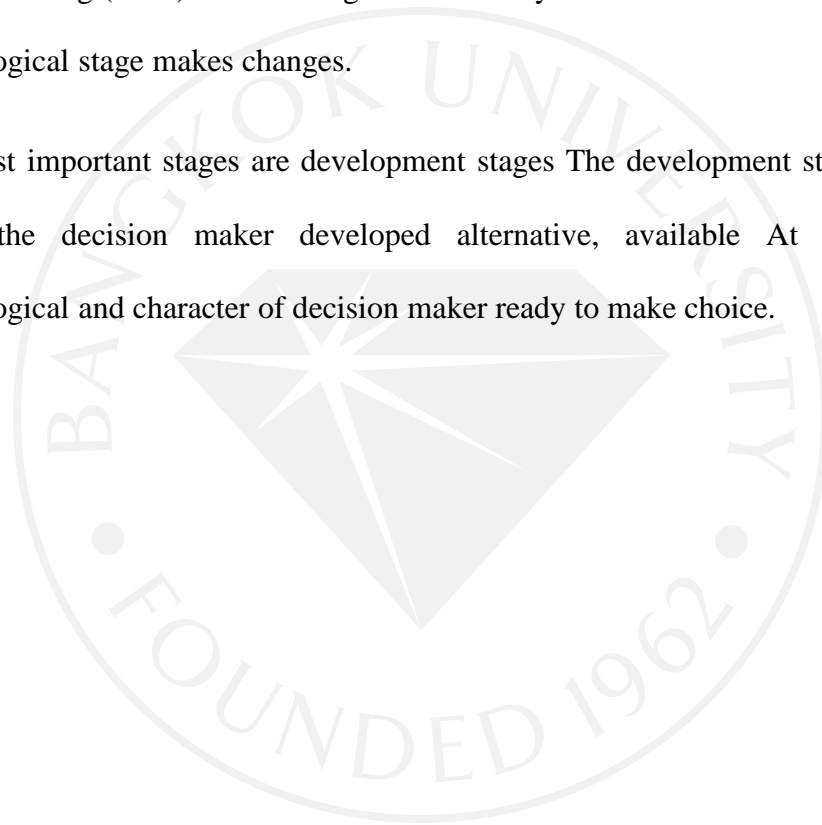
The flowchart above divided in to four phrases. this is status quo, identification,

In Status quo the researcher were most interested in the psychological state of mind

How the decision maker receipt risk uncertainty largely depends on the decision maker background. The identification phrase is when the crisis is recognized. The risk changes according to how the decision maker precept the situation as well as his or her psychological state says (.Decho Zeng & Dr. Xiaoyu, 2014)

OZhang (2014) and this stage are relatively short. Once the crisis is identified the psychological stage makes changes.

The most important stages are development stages The development stage is the phrase where the decision maker developed alternative, available At this stage with psychological and character of decision maker ready to make choice.



CHAPTER 3

METHODOLOGY

3.1 Introduction

The Empirical part of this research is how data is collected, analyzed, why such method is used and reliability of the instrument is explained in this chapter.

3.2 Research Method

Theoretical framework was collected from existing books, Journals, web site in the topics of decision making. (Parmigiani,2009; Hasson, 1994); and in the field of economics (Philip Young Stephen Erfle 2013) and from Tourism Authority of Thailand leadership characteristic. (Maxwell, 1998).

However there were great difficulties in finding books, Journals or from web site on the specific studies about decision of small hotels during political crisis.

But there are wide varieties of journals on different subjects written, books wrote such as decision making. Hotels industries in journals, books and material from the web site to match the topic that the researcher wants to research about.

3.3 Research instrument

There are many kinds of research instruments that can be used to conduct research such as Questionnaire, group interview and person- to -person in –depth - interview.

For this research topic, the researcher shall use qualitative in- depth – interview approached. With managers and /or owners of hotels would be the most liable methods in collecting data for this research topic.

A semi –structured in –depth – interview was held first with managers of various

hotels. To gain a basic information about political crisis and its effect in Bangkok at general and more specific about decision making process during political crisis in Bangkok.

The interview gave an insight to the information of how the owner/ manager of these hotels who have the authority to make the decisions in order to sustain their business during the 2012 to 2013 political crisis.

Although the result of the research that derived from qualitative approach cannot be described in tables figures form.

But this approach could gain to an insight field of decision process of the owner/ manager of hotelier during political crisis.

3.4 Reliability of Instrument

Yin (2009) given the meaning of spurious as a causal relationship between internal validity source from literature and web site which has been viewed many times to make sure that they are valid and from the reliable sources Secondly all participants in this research had been in the hospitality business for over 10 years and had passed through many political crises. And therefore are considered as professional in the field. So the information received through them should be valid. The purpose of validity and reliability is that when another researcher research same topic with the same procedure they should get the same result.

3.5 Interview Procedure

Getting in contact with the owner/ manager who has the authority to make decision was a challenge during the middle of the political crisis and martial law is still in effect(May, 2014).

It is even more challenge when telling them about the topic that the researcher is doing many of the owners, manager refuses to participate.

The reason was simple. The Thai government had requested the public not to talk about politics.

At last researchers requested many of researcher friends, relative. Who own hotels in Bangkok agreed to participate in the study.

A total of 4 participants, 2 are manager of hotels and 2 of them are Owners of hotels.

3.6 Data Analysis – Method used for data analysis

This research is in qualitative form and the findings shall be presented in the form of discussion.

The final analysis of the findings shall be compared with theoretical framework

3.7 Participants and Numbers of participants.

Researcher had conducted an in – depth – interview with 2 Owners/and 2 manager of a hotels in Bangkok.

The numbers of participants may not be many. But one- to - one to one in –depth interview, could give researcher to ask.

Direct and enable researcher to pinpoint many inside information needed from the participants.

CHAPTER 4

DATA ANALYSIS

The researcher shall try to create table, form and mathematical formulas to explain the findings.

However, since the research is was in qualitative form most of the analysis is in discussion form.

4. DISCUSSION

The followings discussions are derived from interviewing 2 managers and 2 Owners of Hotels. Fictitious name shall be used such as A B C etc.

The researcher shall begin with the set of Demographic and general business data.

4.1 Why Bangkok, Thailand?

The entire 4 participant agrees that Thailand is a peaceful country and there are no life threatening events. Thailand is situated in the middle of South East Asia countries, can easily accessible to neighboring country through roads and railway such as Burma, Malaysia and Laos as well as Cambodia. Also Thai people are very friendly and have service mind.

4.2 Why at the location?

Why Thailand from the two owners Mr. Singh and Mr. Y. Mr. Singh I build the hotels long, long ago because I received the land from my father and foresee that there are going to be many foreign travelers coming to Thailand. Mr. Y. Our family was in cosmetic business and owns the estate where the hotel is located. There was an influx of many foreign travelers from Middle East to Thailand to stay and get medical treatment

from many famous hospitals. I saw that there was an opportunity and build the hotel to service the Middle Eastern travelers.

4.3 Hotel Business is Complex and not simple

The entire participants agreed that hotel business looks simple, but in reality it is not. Mr. Y before answering about the complexity of hotel business paused for a while and looked at the interviewer face. He said that hotel hospitality business is not just renting room. It's a combination of many businesses under one (1) roof. Just think running a business is already difficult. A change is comprehensive, as well as interrelated process it involve goal setting, staffing, strategic, staffing, training. And an ability of

Stake holder to obtain sufficient resources to maintain and drive business forward. Running different business such as lodging (room renting), restaurant, Laundering At the same time driving all these different business to have common goal .and ability to drive all the employees to achieve such goal is not easy.

4.4 Instability of Thai Government

Mr. Singh, look. I was born here in Bangkok about 70 years back. There are times when political was stable but for not very long.

According to the Thai constitution once government is elected they should run the country for 4 years. I seldom see that. Many times in my life, I had seen political crisis happening in Bangkok, Thailand. Most of it is concern with Thai military overthrowing the civilian government.

Mr. Y we call it military coup as political crisis. You and I are about the same

age.

We must have seen the worst political crisis that happened. Many people were killed at that time. You must have remembered we were still in our high school, I think at that time. It happened around 1970s when Thanom Kittikachorn was protested by Thai people. As I recall that was the only time when there was blood shed. That I had seen.

Otherwise, political crisis as you called is the transfers of power from elected government to military to rule the country for few years, or even few months.

Mr. J the other manager of a hotel chain. I really do not know much about Thai Politics.

And I was send here by my head office to manage the hotel of about 170 rooms. Well usually before we enter to start operating. We studied about that country pretty well. About political situation, economy of that country, population, and the nature of people and its government. We have studied pretty well about Thailand. I had been send by my office to manage and open the hotel in 2012. I was a little concerned before I came to Thailand before the hotel was open because of the political crisis.

But I was told that our corporate clients, who we are going to service are corporate that invested in Thailand, still have their personal there, in Bangkok, Thailand.

There are no life threatening or violent event happening. With no sign of such event happening. I came and open the hotel, a little late than the opening schedule due to the circumstances at that time, and we have to delay the opening of our hotel for few months. Now after about a year we are already looking to expand.

4.5 Impact of political crisis

Mr. Singh looked at the researcher for a long time answered proudly not this

time.

I had learned to tackle political crisis, in a hard way. In 1991 the government was overthrown by the military. The prime minister was arrested on his way to see the King by an army general almost half of my customer wanted to leave.

I tried to lower down the rental price for them mostly for American but they were not interested and they just left. Then, I started looking for other customer, who is less sensitive to the political crisis. And I found Chinese customer these people were not welcome by many hotels. I started to study about this Chinese Market. I had contacted travel agent in China. Started accepting the Chinese in to hotel because of the nature of the Chinese market. I could not demand the price for the room as much as the American which was my customer before. I had to sell half of my share to an investor in order to survive through the political crisis in early 90s again in 2006 when Thai prime minister was visiting New York. Thai Army revokes 1997 constitution and both the army and the prime minister declared state emergency. About 40 % (percent) of my customer left the hotel again.

And I had the same problem. As I had in early 90s.

This time I looked for new market and asked few of my friends,

Agents in Thailand and abroad. t also.

Found black African people who come to Thailand to sell raw precious stone and they do not worry about political crisis in Thailand.

They say, they in their country they had seen worst. And that political in Thailand for them is not a life threatening and even during the crisis, they still could more freely. As

well as work nearly like normally. Unlike in their country the political crisis are usually life threatening events.

4.6 factors would affect the hospitality most during political crisis?

Mr. Singh, of course there is no doubt. Customers are the most important and an extreme factor that could affect the small hotel most. Next factor would be location, if you near the crisis example. If your hotel is located next to the road where the crisis is

No customer would want to stay. The more prestigious your hotel's name .the more affected you would be.

Mr. K Well you know this business as much as I do what do you think? Mr. Y asked back.

I am here, listening to your view.

Manager my work is to manage and see that all operations run well.

I get my instruction and information from our head office. Our hotel had carefully plan opening date. 10 2012We have our target customer.

We are not very much affected by the political crisis. I think because of our location and target customer. This time surprisingly, we are not affected as much as we expected.

And I get up to date information that a blocked by authority from my head office outside of Thailand, thus help me to plan to service my customer more efficiently.

Mr. Yong, the owner of another hotel cited the hotel was not affected as much as the last time. What happened last time? The ambassadors of my customers nation, requested my customer to leave the country and nearly 45% of my customer left. About and they are welcome to be back after the crisis was over. It was a shock to me and my

management team. What did you do then? We started to promote our hotel and give a special discount to the local (Thai) customer and it worked. This time we could sense that there would be political crisis long before it happened. With heavy campaign we start to get our local (Thai) customer. My regular from Middle East countries, seems more relaxed And starts spending more time in the hotel. We also give special promotion to them, by encouraging them to use more of our facilities at special discount rate. Well for sure customer is the most important factor the next factor that would affect my business would be location. Prestige would follow when my hotel got affected last time, my business was 45% down while the other hotel was having more than 60% occupancy rate. Because they were renting out cheap and are not well known like mine.

Mr. Peter the other manager. You mentioned you were really affected by the political crisis this time. Could you tell me about it? Yes, sure, I was hired to manage this hotel because of the Chinese customer. More than 60% of Chinese left the hotel,

I had to close down the Chinese restaurant. This Chinese restaurant was the most famous restaurant around this area. We used to do catering for other hotels in this area. too. Since my customer had left, I started to contact all hotels in this area and request them to send me customers that they sometime do not welcome, such as African and Middle Eastern countries (mostly who belief in Islam) I quickly decided to change from Chinese Restaurant to Indian and Halal food for Islamic and is one of the first restaurant to serve Halal food for people who belief in Islamic. It worked; we slowly started to get recognized by these Islamic travelers around the area. First they come to eat the food.

Slowly I encourage them to use our room and other facilities. Just the way I did few years back with the Chinese?



CHAPTER 5

DISCUSSION AND CONCLUSION

5.1 Summary of the research findings

Political crisis have crucial impact or profound effects on economy, business sector and on small hotel entrepreneurs. As soon as the political crisis happen there is less travel from foreign travelers because they are scared and afraid .The small hotels entrepreneur must response as soon as possible, to try to retain their customer to stay as well as try to find new groups of customer to use or stay in their hotels.

Otherwise they might have problems sustaining their business.

Decision process during political crisis could be decomposed in to four phrases, Individual Quo, identification, development and selection.

Integrating external factors such as psychological, individual quo

These small hotels depending on the customers they serve location and prestige.

The individual who have authority Researcher have extensively research in to the aspect of decision making process of the small hotels entrepreneurs during the time of political crisis, . And its importance decision making process.

However, not much study had been done in the field of integrating decision model under political crisis.

This paper, shall build an integrative decision model, by integrating factors into classical decision model, decision making process under political crisis. Developed by from this research the research could conclude the followings.

Table 5.1: Impact of political crisis on Small Hotels

Impact of Political Crisis on Small Hotels

Factors	Extreme	High	Medium	Low	%
Customer					
Location					
Prestiges of Hotel					
Security					

All participants agree and have in common about the factors that impact upon the hotels.

The findings are shown in the table above.

Customers, location prestige and security in descending order

5.2 Intrigrative decision making model under political crisis

The base for integrating the decision model under political crises is an integrative decision making model under crisis: examining two real life crisis decision making cases

$$D1 = f1 (E, R, C) (1)$$

$$Dn = (E, R, C, Dn-1) (2)$$

$$\text{Lim } Dn = (E, R, C) (3)$$

$$n \rightarrow \infty$$

The first equation shows that how decision maker make decision for the 1st time.

The 2nd equation is decision maker look back into the past on how the 1st

decision was made and considering environment, risk as well as characteristic of the decision maker. (Zeng & Zang, 2014) continue with the 3rd equation that after decision maker make decision in the similar situation many times they break through from the past and make decision, because they become experienced decision maker. Which show Markov Property?

But in this study the decision maker rely heavily on the past experience and goes back there to get information from the past decision.

This is because during political crisis all information's are blocked by authorities.

There are two assumptions and five elements that are vital in developing of decision model during political crisis.

Assumption 1 Decision process can be divided in to several phrases with no simple sequential relationship between them.

Concerning the phrase of decision making, the most famous theory is the intelligence choice developed by Simon in 1965.

Assumption 2 the development phrase of decision making process, is itself a stochastic process that has markov property our study was just like (Zeng & Zang, 2014)

Decision process as per our 2nd assumption that the decision process is considered as stochastic and the function of D_n is a form that indicate the three integrated factor rather than a fixed formula.

And decision formula could be written and explain in a simple mathematical could be written as follows

$$D_1 = f_1(E, R, C) \quad (1)$$

$$D_n = (E, R, C, D_{n-1}) \quad (2)$$

$$\lim D_n = (E, R, D_{n-1} - D_n) \quad (3)$$

$$n \rightarrow \infty$$

In words, the first equation is when decision maker make decision for the first time by using Risk, Internal as well as External environment.

As more event happen in the similar circumstances, the decision maker become more experience and the 2nd equation explain that when the decision maker make decision with the similar events it takes the decision made in the first time into consideration.

3rd equation explain the decision maker consider External, Internal and risk and the decision that he took first, as well as the second time in to consideration.

No matter how experience the person become he or she stills have to refers back to the past experience or information within the company.

Though mathematical formula is a good way to explain the decision making process but by using the flow chart below in figure is a better way to illustrate the decision process during political crisis and would suit the purpose of the researcher better where researcher is trying to transform an abstract decision process in to a concrete steps of decision making process.

To Conclude

The decision process is divided in to four (4) steps in the researcher model.

Which are individual core, identification, development and selection?

The element such as individual quo, risk and uncertainty, psychology were added in order to make it look realistic in political crisis. By including external factor, psychology, past experience and characteristic of decision maker,

The model developed is very solid in practicality, as it is shown that both the owners of the hotels studied had used their past information experience in making decision in the similar situation.

Suggestions for future research

The discussion in the previous research offers several challenges. For the future,

1st is to try to understand how decision maker perceived risk, and its effects to the decision maker.

2nd Is there any way to include probabilities theories in developing decision process?

3rd the researcher must not pre-determined the conclusion of the study.

Last there are factor in this study that the researcher have to forget completely

It is possible that there is no rational way to measure belief.(Gilboa, 2009)

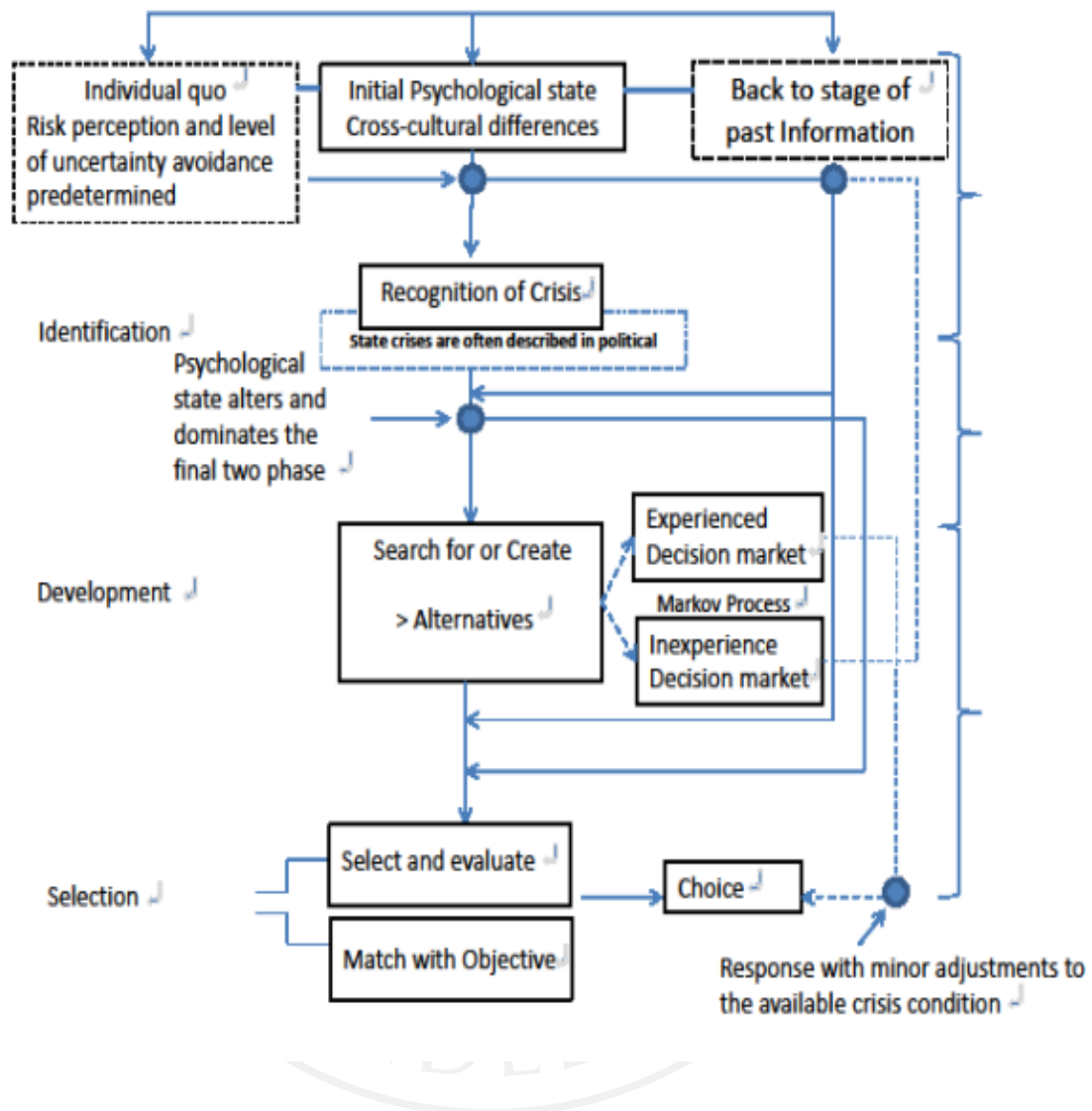


Figure 5.1:Flow Chart Explain The Decision Making Process During Political Crisis Modified

The above flow chart explain the decision making process during political crisis.

This paper choose to base decision process integrating with which divided decision process in to four phrase which are identification, developed and select.

The above flow chart explain the decision making process during political crisis.

This paper choose to base decision process integrating with which divided decision process in to four phrase which are individual quo identification, developed and select.

Individual quo

In this the researcher is interested in the decision maker psychological state of mind.

His or Her perception of risk

His or her culture background, characteristic

Which is unique to the decision maker?

This uniqueness could be detected and observe only when the crisis happened. At this stage decision maker changes his or her perception of risk (Zeng and Zang,2014)

Identification

This stage happen when the owner, manager sensed in 2012 then tension between government and opposition started at the parliament house.

One of the opposition started to lead Thai people to protest against the government.

Development

At this stage t they create, search for alternatives, by looking back through their

Past experiences, risk, and characteristic

They form alternative and ready to make final choice.

Selection

Same as development phrase, with limited information available, they looked back in to the past, and see what they did that benefits most to the organization, in the similar

situation.

The major difference between and the decision model presented above. And decision making model under crisis under crisis examining two real life cases. European scientific/ special edition..

is that Dechao Zeng and Xiayu Zang journal had given the decision process during crisis in general, where information about crisis could be obtained easily from various sources.

But in this research, the researcher had found that,

During political crisis, authorities blocked information from all sources.

And give only limited information, given only from the authority only.

Secondly, researcher perceived that build a general decision during crisis model for all purpose.

It concerns more of organization of a whole. The sense of urgency, limitation of information during political crisis is not included.

Third and the last differences is the psychological state of mind should be looked in to.

Because it could cause drastic distortion during decision making and effects in the model presented in two ways.

First is stated in individual core, which is the state how decision maker perceived the risk factors before the crisis is identify.

Second is after the risk is identified and when the decision maker has to make decision with limitation of time, and information before finding alternative before making final choice.

5.3 Suggestions for future research

There are many challenges to current and future research, such as.

1st during answering the research questions, researcher should be careful in not making predetermining-determined answer.

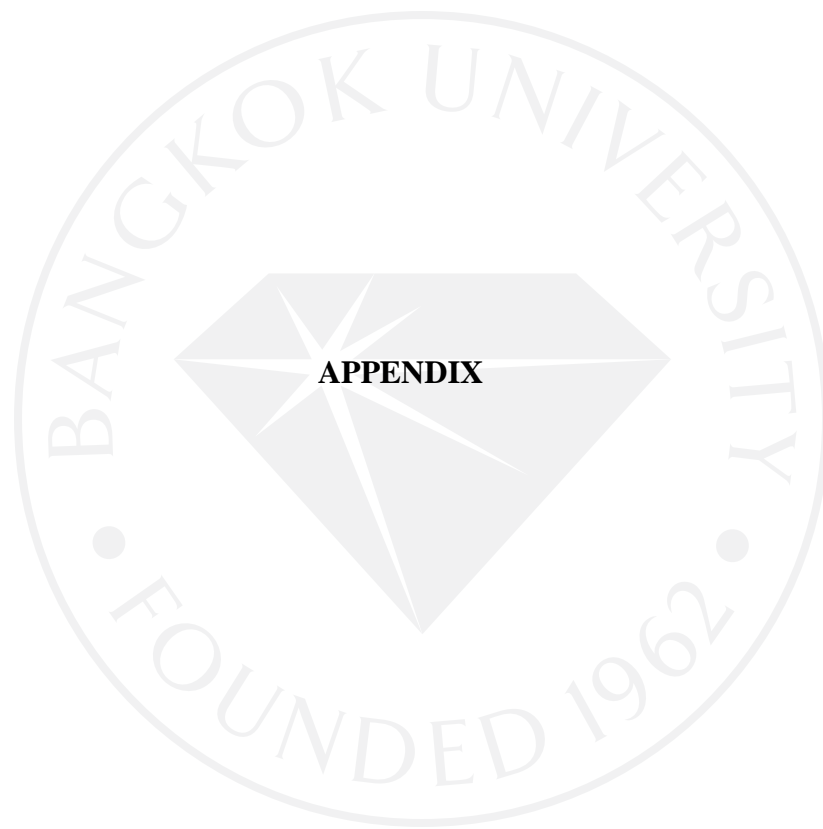
2nd The researcher should not do this topic during the crisis, but rather wait until the civil government is formed.

3rd Researcher should try to get more participants. Chain hotel in particular.

It would be very interesting if in future the researcher could include psychological factors such as belief, culture, social responsibility and how the decision maker perceives things through the five senses and predict crisis using quantitative manner such as probability theory. Incorporate such things in the research.

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QUESTIONS DEVELOPED

1. Demographic data and general business data

Why did you decide to do hotel business in Bangkok?

1.1 How long have your hotel been operating?

1.2 How many employees do you have?

1.3 How is your business doing at the present?

1.3.1 Does local use your services

1.3.2 Renting rooms

1.3.3 Eating at your restaurant

1.3.4 What could cause problem to your business?

1.3.5 What are your strong points of your business?

Relevant Data

2.1 Are you aware of political crisis in Bangkok?

2.2 What do you think about the political crisis that took place recently?

2.3 What do you think about of entrepreneur role in normal situation?

2.4 What should be the role of the entrepreneur during crisis?

2.5 Did you hotel have any effect from the political crisis

2.5.1 Did your revenue decline or increase during the crisis?

2.6 Did you have to make decisions during the crisis?

2.7 What did you do to promote your business during the crisis

2.8 The decisions you took during the crisis how did it affect your business

2.9 How was your business when you took those decisions?

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