

Guidelines For Establishing And Managing Thai Spa Businesses Abroad

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Abstract

This research aims to study the components and strategies for establishing Thai spa businesses abroad, as well as the management system and investment strategies, and then developing these into a structural equation model. A mixed-method research approach was adopted, incorporating both qualitative and quantitative research. Through in-depth interviews with 9 experts, tools for quantitative research were developed, and group discussions with 11 qualified individuals were conducted to achieve a consensus on the research model. The quantitative research involved surveying 100 Thai spa business operators, utilizing descriptive statistics, inferential statistics, and multivariate analysis in the research process. The findings revealed that the priority aspects for business establishment, components of the business management system, and investment in Thai spa businesses abroad are ranked in five areas as follows: 1. Workforce aspect ($\bar{x} = 4.30$), with the most critical item being personnel skill development; 2. Financial aspect ($\bar{x} = 4.26$), with the most critical item being financial liquidity maintenance; 3. Marketing aspect ($\bar{x} = 4.25$), with the most critical item being customer access through modern marketing policies; 4. The internal process aspect ($\bar{x} = 4.24$), with the most critical item being the clarity of the management system; and 5. The location of place aspect ($\bar{x} = 4.23$), with the most critical item being the location. Additionally, it was found that medium-sized and small-sized businesses do not significantly differ in their overall importance placed on competitive enhancement strategies at the 0.05 statistical level.

Keywords: Thai Spa Business, Application.

Introduction

Although it is known that the revenue from Thai spa businesses abroad is substantial with excellent operational results and a rapid return on investment, information and processes for establishing businesses in foreign countries have not been clearly disclosed. The establishment and operation of businesses are limited only to those within the existing spa industry, resulting in a loss of investment opportunities for many investors. Presenting information on business establishment strategies, management systems, and investment approaches for Thai spa businesses abroad would thus have a positive impact on the overall economy of the country. The research team sees an opportunity to increase the Gross National Product (GNP) of Thailand by promoting the creative economy based on Thai

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intellectual heritage. The study will analyze various components of effective management and investment in the Thai spa business, enabling it to compete internationally, creating economic opportunities, and promoting Thai spa businesses globally, leading to sustainable economic growth.

Research Objective

1. Investigate approaches to establishing Thai spa businesses abroad.
2. Study the components of effective management systems for Thai spa businesses in international contexts.
3. Analyze investment strategies for Thai spa businesses overseas.

Literature Review

In this research, The literature on international business expansion offers various strategic frameworks that can be applied to the Thai spa industry. The Uppsala model emphasizes the importance of experiential learning and gradual commitment, which could be particularly relevant for Thai spa businesses considering the nuanced understanding of local preferences and regulatory environments required (Johanson & Vahlne, 1977). Moreover, Porter's (1980) Competitive Strategy and Diamond Model provide insights into leveraging competitive advantages and understanding the factors contributing to the success in international markets . Cultural adaptation plays a crucial role in the internationalization of service businesses. Mattsson et al. (2005) discuss the balance between standardization and adaptation of services, suggesting that while core service elements may remain consistent, peripheral aspects should be adapted to meet local tastes and cultural expectations. This is echoed in studies specific to the spa and wellness sector, where the authenticity of the Thai experience is balanced with adaptations to local health and safety standards, consumer preferences, and cultural sensitivities (Henderson, 2011; Kaewkitipong, 2012). Effective management practices are pivotal for the success of Thai spa businesses abroad. Chai-Arayalert and John (2012) highlight the importance of human resource management in maintaining service quality, particularly through the training and development of therapists to ensure they embody the essential qualities of Thai hospitality and therapeutic expertise. Furthermore, the literature underlines the significance of leadership and strategic vision in navigating the complexities of international markets, emphasizing the need for managers to possess a deep understanding of both the spa industry and the specific challenges of operating in a foreign context (Lo & Lee, 2011). Investment in foreign markets necessitates a comprehensive analysis of market conditions, consumer behavior, and competitive landscapes. The literature suggests that market entry strategies for Thai spa businesses should be informed by meticulous research into local demand for wellness services, regulatory barriers, and the competitive positioning of Thai spas relative to local and other international offerings (Wilson & Gilligan, 2012). Digital marketing refer to the utilization of technology and innovative practices to facilitate organizational management, enabling operations to proceed efficiently and modernly, as well as allowing for rapid communication with customers. Examples include SAP systems, ERP systems, Artificial Intelligence (AI), internet systems, social media and real-time data sharing through the Internet of Things (IoT). Therefore, it is essential for contemporary business management to emphasize technology and innovation (Deloitte, 2018) to meet the demands of the new generation, for whom social media significantly influences daily life. Financial models and feasibility studies are recommended to assess the viability of investments and to structure financial planning in alignment with long-term strategic goals (Young, 2013). The expansion of Thai spa businesses into international markets is not without its challenges. Issues such as regulatory compliance, intellectual property

protection, and the sustainability of sourcing authentic Thai materials and ingredients are recurrent themes in the literature (Smith & Puczko, 2014). However, these challenges are counterbalanced by opportunities, particularly in leveraging Thailand's strong national branding as a hub of wellness and traditional medicine, and in capitalizing on the growing global interest in health and wellness tourism (Connell, 2013).

The guidelines for understanding the critical factors in establishing and managing Thai spa businesses abroad. It underscores the importance of strategic planning, cultural adaptation, rigorous management practices, and informed investment decisions. As Thai spa businesses continue to venture into international markets, the insights from existing research offer valuable guidelines for navigating the complexities of global expansion while preserving the essence of Thai wellness traditions. Future research could further explore the dynamics of consumer behavior in emerging markets, the integration of technological innovations in service delivery, and strategies for sustainable international growth.

Hypotheses

H1 :The internal Process directly influences the marketing.

H2: The internal Process directly influences the location of the place.

H3 :The internal Process directly influences the finance.

H4: The finance directly influences the workforce.

H5: The finance directly influences the marketing.

H6 : The workforce directly influences the location of the place.

Research Methodology

This research is an Inductive Research employing a Mixed-Methodology Research approach, consisting of three parts: Qualitative Research through In-Depth Interviews, Quantitative Research through survey data collection, and Qualitative Research using Focus Group Discussion techniques to confirm the accuracy of the research model.

1.The Qualitative Research through in-depth interview techniques used a population of 9 experts, selected through Purposive Sampling, with specific qualifications for experts. These experts were divided into three groups: 3 business operators or executives, 3 individuals from the government sector and related agencies, and 3 academics.

2.The Quantitative Research defined the population as 100 Thai spa business operators. The sample size was determined using criteria for research types that involve component analysis, employing Multi-Stage Sampling. This included Cluster Sampling, where the business industry was divided into two sizes: medium and small businesses, using Probability Sampling for random selection.

3.The Qualitative Research through Focus Group Discussion techniques was conducted to validate the model, using a population of 11 qualified individuals, selected through Purposive Sampling.

Statistics for data analysis

In this study, for qualitative analysis, data from in-depth interviews was scrutinized using content analysis. Meanwhile, the quantitative research component utilized SPSS and Analysis of Moment Structure (AMOS) software for analyzing descriptive, inferential, and multivariate statistics. The analysis of the structural equation model was conducted in relation to the statistical data and the interpretation of hypothesis testing concerning inferential and multivariate statistics. The process of adjusting latent variables involved altering an observed variable to better match empirical evidence based on specified criteria,

employing a variable derived from a five-point rating scale question gathered by the researchers. Initially, model adjustments were made based on the modification index value, followed by subsequent recalculations until the structural equation model was fully refined to correspond with empirical data. The evaluation of the model-data fit was determined using four key metrics: a chi-square p-value (CMIN- ρ) greater than 0.05, a relative chi-square value (CMIN/DF) less than 2.00, a goodness of fit index exceeding 0.90, and a root mean square error of approximation value below 0.08 (Arbuckle, 2016).

Results

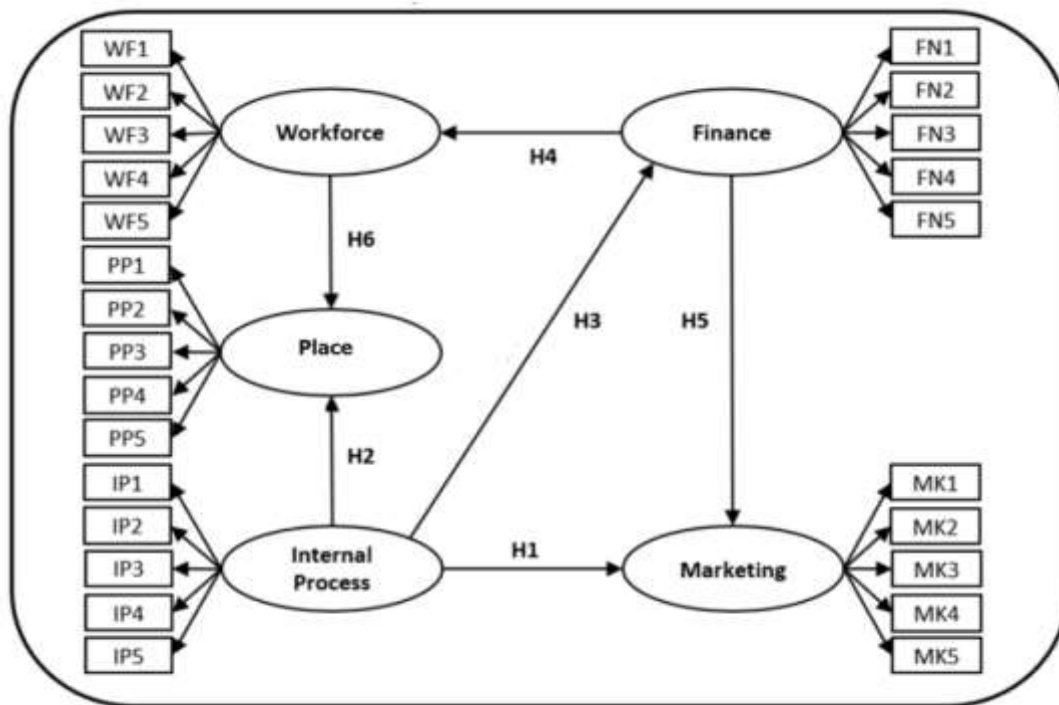
Elements of the guidelines for Establishing and Managing Thai Spa Businesses Abroad. According to objective no. 1, which was to study the elements of the guidelines for human capital development in the industrial businesses sector to enhance competitiveness, the qualitative research through in-depth interviews with experts was divided into four element strategies. These strategies were (1) The workforce, (2) The finance, (3) The marketing, (4) The internal process and (5) The location of place. The analytical results of the importance levels of these five elements are presented in Table 1.

Table 1 Overall means and standard deviations of importance levels

| Elements of the guidelines for Establishing and Managing Thai Spa Businesses Abroad. | \bar{X} | S.D. | Importance levels |
|---|-----------------------------|-------------|--------------------------|
| Overall | 4.30 | 0.47 | high |
| 1. The workforce | 4.30 | 0.47 | high |
| 2. The finance | 4.26 | 0.44 | high |
| 3. The marketing | 4.25 | 0.43 | high |
| 4. The internal process | 4.24 | 0.41 | high |
| 5. The location of place | 4.23 | 0.39 | high |

Table 1 presents the analysis of the importance of the guidelines for human capital development in the industrial businesses sector to enhance competitiveness and indicates an overall high level of importance ($\bar{X} = 4.30$). In addition, the importance of each strategy was also at a high level. The mean score for each strategy was as follows: The workforce ($\bar{X} = 4.30$, S.D. = 0.47), The finance ($\bar{X} = 4.26$, S.D. = 0.44), The marketing ($\bar{X} = 4.25$, S.D. = 0.43), The internal process ($\bar{X} = 4.24$, S.D. = 0.41) and the location of place ($\bar{X} = 4.23$, S.D. = 0.39).

Structural equation modelling analysis



Discussion and Conclusion

The significant findings derived from the research on the guidelines for establishing and managing Thai spa businesses abroad are as follows: The analysis, conducted through qualitative research via in-depth interviews with experts, revealed that the components could be categorized into five key elements: workforce, finance, marketing, internal processes, and location. This study did not encompass small-scale industrial businesses, as there is still a lack of clear guidelines for large-sized industrial organizations. The researcher plans to further investigate this topic in future studies.

Resource management, specifically the workforce, received the highest mean score in the guidelines for establishing and managing Thai spa businesses abroad. This finding resonates with the work of Chai-Arayalert, S., & John, S. (2012), reflecting the critical importance of personnel, which directly impacts an organization's strategic management. Having skilled personnel join and remain committed to the organization, fostering motivation, skill development, and employee retention, are vital pathways to ensuring organizational stability. The presence of skilled personnel is a crucial component for business success and aligns with Connell, J. (2013)'s study, which posits that business management with a focus on personnel—by 1) developing employee capabilities, 2) having clear operational procedures, and 3) creating a satisfying work environment for the staff—leads to sustainable business success.

The hypothesis testing revealed that the internal process component has a direct influence on the financial aspect (financial stability of the organization) with the highest Standardized Regression Weight. This provides empirical evidence that the interprocess is crucial for business operations, representing a strength in spa business practices. An organization's effective strategic management system contributes to financial stability, profitability, and competitive capability, aligning with Young, R. (2013)'s research on

"Financial feasibility studies for property development.

The examination of the data revealed that the most significant impact on the marketing dimension, particularly in terms of inventive marketing strategies, originates from the internal process element. Achieving the peak Standardized Regression Weight underscores the pivotal role that internal process management plays in the success of business endeavors. By strategically organizing internal operations to foster innovative and contemporary marketing strategies that meet customer demands, adapt to shifts in consumer behavior, and effectively manage risks, organizations can enhance their growth and competitive edge. This concept is in harmony with the insights provided by Wilson, J., & Gilligan, C. (2012) in their study on "Strategic Marketing Management" within the era of globalization.

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