

Factors affecting Thai massage pricing

Part 1

This study aims to investigate the impact of the factors that affect Thai massage pricing apart from the service factor and since these Thai massages have a price that varies from place to place, this study would like to observe in this area to get a better understanding on the pricing behavior of these Thai massages. Since in Thailand, there are so many Thai massages around Bangkok as well as Thai spa and massage industry is also an essential industry that contributes to Thai economy for more than 33 billion baht and still continues to grow at 8 percent per year. Therefore in this study, the researcher comes up with the key questions that are 1. What makes up Thai massage pricing model? 2. Does the distance from BTS/MRT affect Thai massage price? and 3. Which attribute of the spa store apart from service quality has the most impact on the prices charged for Thai massage?

For the data, it will be collected from various online platforms ex. Tripadvisor.com, Facebook page and Google Map with the total sample size of 237 observations. The price will be set as a dependent variable (Y) and for the independent variables will be REVIEW, RATING, SOCIAL, MRTBTS, HOTELDEPARTMENT, PARKINGLOT, PRODUCT, WEBSITE and 8 most popular areas (Bangrak, Dusit, Klongtoey, Pathumwan, Phra Nakorn, Ratchathewi, Sathorn and Wattana). The collected data will be analyzed using the Hedonic Pricing model to determine factors that affect the pricing.

The result from the regression with full model for the first time, the variables that are significant at 99 percent confidence interval are rating, website and HOTELDEPARTMENT while PARKINGLOT is also significant but at the different level of 95 percent confidence interval and Sathorn at 90 percent confidence interval. Then, run the model again to see the correlation and we can see that the correlation between HOTELDEPARTMENT and PARKINGLOT is very high compared to any other variable since most hotels also provide parking lots. So now, running the model again but dropping the HOTELDEPARTMENT variable and we see the change that parking lots become more significant at 99 percent confidence interval, product is now significant contrast with the first run, rating is lower its significant to 95 percent confidence interval and Sathorn is no longer significant.

In conclusion, in order to charge higher prices for the store that is not located in the hotel department, it is significant for them to develop their own product brand while it is not significant to be located in the Sathorn area. Also contrast with the assumption, the result shows that the distance from store to MRT/BTS is insignificant in pricing. However the study still has some limitations in measuring the competition intensity and factors affect rating.

Part 2

From my opinion, I do find this study very insightful and will be beneficial to those who wish to start their business in the hospitality sector especially in Thai massage stores and it might also be beneficial to the tourists who seek for the Thai massage store with appropriate prices as well. For the model, I think there are some other factors that might also affect the price

as well like promotion and advertisement or there is also the seasonal factor that might also affect the price as well. The data were collected at the appropriate sources and used a suitable method of hedonic pricing to analyze and determine factors affecting Thai massage pricing which in conclusion, it gave a convincing result.