

Pimchanok (2017)

This paper tries to examine which factor of hostel characteristic is associated with room price specifically area in Bangkok. The observations are in total 200 samples from 451 hostels available on booking.com by using multiple regression analysis to demonstrate what factors have the most impact on hostel pricing. The researcher collect data on April 9th 2018 but using the same check-in date for all hostels to avoid pricing problem that may occur by selecting check-in date on October 16th 2018 and check-out on following date. The reason behind that researcher using October as a check-in and out date is because she wants to avoid seasonality problem because October is the shoulder period in Thailand which between high and low season. The regression model is as following;

$$\begin{aligned}\widehat{PRICE} = & \beta_0 + \gamma_1(TYPE) + \gamma_2(NEIGHBORHOOD) + \gamma_3(FACILITIES) \\ & + \beta_1(NBED) + \beta_2(NHOSTEL) + \beta_3(DISTANCE) + \beta_4(RATING) \\ & + \beta_5(SCORE) + \varepsilon\end{aligned}$$

Whereas price is the dependent variable, type means the room type if $\gamma_1 = 1$ means dormitory otherwise private room. Neighborhood means where the hostel is located which this paper collected 8 different neighborhood which are Khao San, Riverside, Sukhumvit, Silom, Siam, Pratunam, China Town and Suvarnabhum. Facilities in this model covered restaurant, shuttle bus, breakfast, Bath at first the model cover WIFI in facilities but all hostel have provided free-WIFI therefore the researcher dropped it out. NBED means number of beds per room, NHOSTEL means number of hostels within 1 Km. Distance means the distance from hostel to the nearest BTS station in Km. Rating means the score of hostels ranging from 0 to 3 stars. Score criteria are cover cleanliness, comfort of hostel, facilities, staff, value for money and location which is given from 0 to 10.

The result found that location, restaurant and facilities are statistically significant with positive impact on the price of hostel. The dormitory type of hostel has cheaper price than private type but the number of beds in dorm room are not significant with price of hostels. Furthermore, the increasing number of hostels within 1 km. resulting in decreasing in price as a result of intense competition.

This research paper is very interesting because it provides us to know that which factor has an impact on price of hostel and it could help the owners of hostel to know which factor has positive effect on their service. The benefit that we get from this paper is to know which factor has attributed to different in price of hostel in Bangkok so we can recommend our friends where to stay.

The economic theories that used in this paper are hedonic pricing which treats different product as a bundle, cost-based pricing, competition-based pricing, price following.

The method that the researcher used is appropriate because she already exclude multicollinearity problem and used check-in and out date in October to avoid seasonal problem.

The variables that have been used in this regression are appropriate leads to the convincing results because the researcher did collect data solely on booking.com and she had already dropped WIFI which all hostels provided from the model.