

The Estimation of Hotel Room Rate and Proximity to Public Transportation in Bangkok: Case of BTS and MRT (In year 2016)

This paper aims to provide the pricing of the hotel based on different factors focusing on the proximity to BTS and MRT station. there are many factors other than hotel facilities such as reputation, quality, and location. There are research papers that studied on this topic. A Hedonic Pricing Analysis of Hotel Room Rates, hedonic pricing model is a model that determined the price of goods based on its characteristics. In this case is the facilities and others factors that price the hotel room rate. Therefore, this paper attempts to emphasize the percentage change in hotel price from proximity to BTS and MRT.

This paper use regression analysis to find significant factors that affect room price, to capture the significant effect of each variable and data was collected in cross-sectional type. Hedonic pricing is confirmed to be the appropriate model used in pricing goods with different characteristics. Various Data was collected with 400 number of observations, the hedonic pricing model estimates with three forms of OLS regression which are Linear form, Log-Log form and Semi-log or Log-linear form. Semi-log form found to be the most appropriate to interpret the model. Since, this form is the most suitable to deal with volatility in price or dependent variable that was created from extreme outlier.

In the conclusion of all 6 models, Model I only include railway which are BTS and MRT, for Model II they use model one and include more variables of other public transports and Central Business District. Model III only railways and Hotel facilities were included in this model. Then Model IV they combine Model III and Model II, excluding only zone. Model V

consisted of all variables except CBD, and lastly Model VI which include all categories of variable (railway, other public transit, hotel star, CBD, and Zone). The result of the internal characteristics parameters, star rating (Star) shows significance in determining the rate of hotel, the room size is proved in this model that it is significantly determine the room rate of hotel, the result of hotel facilities and service are similar in all three models, offering complimentary breakfast is significantly increase and there is no significance of restaurant in hotel. The result of the external characteristics of model, the estimation result of distance of BTS and MRT parameters significantly determine the room rate of hotel. The public transportation parameters are also proved in this model that they are significantly determine the rate of hotel. Hotel with Bus station (bus) and pier within 300 Meters radius increase the rate of hotel.

My opinion toward this paper is, the result tends to convince me because all the data and information they collect shown that the hotel price based on many variable. It depends on internal characteristic of the hotel such as the quality of the hotel, room size or the facilities services. And in the external characteristics of the hotel such as the distance of BTS and MRT, the public transportation. This research also provided that in the internal characteristics, hotel with restaurant seem not to be significantly affect the hotel price because it might be the well-known of street food in Thailand that would make tourist eager to eat outside the hotel. After I read all this paper, it gave me a lot of knowledge about the factors that affect to the price of the hotel. These finding would give a perfect information to both hotel operator and tourist.