

Market Potential Analysis of E-Rental Business for Travel Equipments in Thailand

การวิเคราะห์ศักยภาพทางการตลาดของธุรกิจให้เช่าอิเล็กทรอนิกส์สำหรับอุปกรณ์การเดินทางในประเทศไทย

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Abstract

Travel overseas is a beneficial activity to explore new experience and different cultures. There are necessary several expenses that travelers have to pay for their overseas trips such as accommodations, airfare, local transport and dining etc. Moreover, cost of travel equipments including oversized luggage, seasonal clothes and accessories are added cost. It is not value for money to spend for these equipments which are needed only a short period of time. Thus, it is an idea to start up a rental business of travel equipments via the Internet in Thailand to fulfill untapped needs of budget and infrequent travelers who have quality concerns. In this paper, the concept of sharing economy is critically discussed. Besides, 7Ps of the service mix is thoroughly reviewed in data analysis. The objective of this study is to explore market potential and possibility of this business. A quantitative method is carried out via online questionnaires to gather information about customer needs and business environment for strategic planning of the E-rental business. In addition, some entrepreneurs of rental businesses concerning travel equipments are interviewed to enhance the understanding of consumer behaviors. The findings indicate that there is a limited business potential. However, an enormous size of target market and other significant factors sufficiently make this business attractive to SME entrepreneurs or investors. The business offers a new option of equipment service for travelers. It provides a unique experience with a service standard. To be successful, the business requires a proper strategy to attract prospective customers and compete against competitors or substitute products in the online rental service.

Keywords : travel, rental business, e-commerce, service mix, sharing economy

บทคัดย่อ

การเดินทางไปต่างประเทศ คือ กิจกรรมที่เป็นประโยชน์อย่างหนึ่งเพื่อหาประสบการณ์ใหม่ และสำรวจวัฒนธรรมที่แตกต่าง นักเดินทางจะต้องเสียค่าใช้จ่ายหลายอย่างที่จำเป็นสำหรับการเดินทาง ไปต่างประเทศ อาทิ ค่าที่พัก ค่าตัวเครื่องบิน ค่าพาหนะ ค่าอาหาร และอื่นๆ นอกจากนี้ยังมีค่าใช้จ่าย เพิ่มเติมเกี่ยวกับอุปกรณ์สำหรับการเดินทาง เช่น ค่ากระเป๋าเดินทางขนาดใหญ่หรือน้ำหนักเกิน ค่าเสื้อผ้า ตามฤดูกาล ค่าอุปกรณ์เสริมต่างๆ ซึ่งอุปกรณ์เหล่านี้จะถูกใช้งานในช่วงเวลาสั้นๆ เท่านั้นจึงไม่คุ้มค่ากับ เงินที่จ่ายไป ดังนั้น แนวคิดเรื่องการเปิดธุรกิจให้เช่าอุปกรณ์การเดินทางผ่านอินเทอร์เน็ตในเมืองไทย จึงเป็นการเติมเต็มความต้องการที่ยังไม่ได้รับการตอบสนองของนักเดินทางที่มีงบประมาณจำกัดและ เดินทางไม่บ่อยนัก ซึ่งบุคคลกลุ่มนี้จะมีความกังวลในเรื่องของคุณภาพของสินค้า แนวคิดเรื่องเศรษฐกิจ แบ่งปันและส่วนประสมการบริการ (7Ps) จะถูกนำมาอภิปรายและวิเคราะห์อย่างละเอียดในการศึกษา ครั้งนี้ด้วย วัตถุประสงค์ของการศึกษา คือ การสำรวจความเป็นไปได้ทางการตลาดรวมถึงโอกาสทางธุรกิจ ของธุรกิจให้เช่าอุปกรณ์การเดินทางอิเล็กทรอนิกส์ ซึ่งเป็นการศึกษาเชิงปริมาณโดยการเก็บข้อมูลด้วย แบบสอบถามออนไลน์เกี่ยวกับความต้องการของลูกค้าและสภาพแวดล้อมทางธุรกิจ สำหรับการวางแผน เชิงกลยุทธ์ของธุรกิจให้เช่าอิเล็กทรอนิกส์ นอกจากนี้ผู้วิจัยได้สัมภาษณ์ผู้ประกอบการธุรกิจให้เช่าอุปกรณ์ การเดินทางกลุ่มหนึ่งเพื่อเพิ่มความเข้าใจในพฤติกรรมผู้บริโภคให้มากขึ้น ผลการศึกษาพบว่า มีข้อจำกัด หลายประการสำหรับการประกอบธุรกิจให้เช่าอุปกรณ์เดินทางผ่านอินเทอร์เน็ตในเมืองไทย แต่อย่างไร ก็ตามขนาดที่ใหญ่มากของกลุ่มเป้าหมายและปัจจัยสำคัญอื่นๆ ทำให้ธุรกิจดังกล่าวมีความน่าสนใจ เพียงพอที่จะดึงดูดนักลงทุนหรือผู้ประกอบการเอสเอ็มอี การที่จะประสบความสำเร็จในธุรกิจให้เช่าออนไลน์ จำเป็นต้องมีกลยุทธ์ทางธุรกิจที่เหมาะสมเพื่อดึงดูดลูกค้า แข่งขันกับคู่แข่ง หรือเป็นสินค้าทดแทนได้

คำสำคัญ : การเดินทาง ธุรกิจให้เช่า พาณิชยกรรมอิเล็กทรอนิกส์ ส่วนประสมการบริการ เศรษฐกิจแบ่งปัน

Introduction

E-commerce in Thailand

The number of Thai internet users is growing at a rapid pace, exceeding 25 million in 2012, but representing only approximately 35 percent of whole population. The number of Thai internet users is expected to reach 40–50 million by 2015 and this will have significant effects on e-commerce. The growth of online activity is powered by mobile device expansion with mobile devices becoming more affordable and more convenient. Business to customer e-commerce volume in Thailand has climbed over 20 percent annually over the past three years. The ease of comparing prices, time saving, convenient channel and diverse product categories are potential factors for online business growth. Currently, e-commerce plays a vital role in retail business strategies. Business expansion is increasingly occurring through online channels, which require less capital investment than traditional channels. E-commerce is thriving as infrastructure, logistic and consumer preferences evolve. There are challenges to doing online business in Thailand for new startups. Critical infrastructure, such as commercial 3G or 4G network, is not available throughout Thailand. The consumers are reluctant to pay by credit card due to not fully trusting system security. Most payments are executed via ATM and E-banking. Also, the logistics in Thailand is an issue since there are very few logistic providers for Business to Customer (B2C) business. Thailand post is affordable but unreliable while the other logistic providers cover only specific areas in the country and are very costly. Having laws and regulations for an e-commerce framework is a factor to spur online business growth. The largely untapped market, continually developing infrastructure, and rapid growth in mobile device users offer promising opportunities for new entries in the online market in Thailand (Choorat, 2011; Luo et al., 2012; National Statistical Office of Thailand, 2013; Krungthep Turakij, 2013; Napompech, 2014).

Thai Outbound Tourism

The considerable growth of Thai outbound tourism reached new heights last year when roughly 6 million Thais traveled overseas. The number of Thai travelers abroad has continually grown except in 2011 when there was the worst flood in over half a century in Thailand. Generally, approximately 80 percent of outbound tourists travel within the Asian region, followed by Europe with roughly 500,000. The outbound tourism growth in Thailand is due to the increasing of gross national income (GNI) per capita from 2,026 US dollars in 2003 to 5,210 US dollars in 2012, and an increase of over three times for the upper middle income class in the last decade. The perception of Thai people for traveling has changed. Previously, was seen as an extravagant activity, but now, Thai's perceive travel as a beneficial and productive activity. The motivation for overseas travel is to explore and

enjoy new experiences. Over the last few decades, overseas tourism was restricted to upper class and rich families because of its cost. Presently, overseas travel is becoming a favorite activity for ordinary people. Previously, transportation was inconvenient and operated main in large cities. Also, there were only a few transport operators providing service. Currently, developed transportation systems spread throughout country and there are several transport providers in the market. Furthermore, a highly competitive airline industry and expansion of low cost carriers have driven the growth of overseas tourism. Therefore, general Thai workers can spend for overseas travel easier than before. (World Tourism Organization & Tourism Australia, 2013; Bhaopichitr et al., 2014)

In the first half of the year 2014, the increasing number of overseas traveler has fueled by a stronger baht. The duration of Thai vacations is quite short compared to other tourists, such as Europeans. Thai labor law states that an employee who has worked consecutively for a year is entitled to at least six working days of paid vacation. Generally, companies allow annual paid vacations of about 10–13 days for employee which prevents many Thai travelers from taking long vacations. Thai citizens are required to apply for visas to enter many countries and the complicated visa application process discourages some Thais from outbound tourism for Thai. After the Japanese government decided to exempt visas for Thai citizens, the number of Thai travelers has steadily increased. Complicated visa processes also may be the cause of a small number of European and American arrivals. Lower expenditure of overseas vacations, easily information accessible and higher annual income of Thais are significant factors for increasing overseas tourism growth. These lead to a positive future trend for Thai travel overseas. The trend of Thai travel abroad is potentially growing. (UNWTO & TA, 2013; World Bank, 2015; Department of Tourism, 2015)

On the other hand, the expenditure of travel abroad is quite expensive compared to the average daily consumption cost in Thailand. Moreover, Thai workers have quite short annual vacations with about 10–13 paid days per year which significantly affects the length of their vacations. The low frequency of Thai overseas travel is primarily due to financial status, traveling expenditure and limited vacations. When traveling overseas, many travel accessories are needed to use only for a short period. Apart from accommodation and transportation cost, there are various hidden expenditures such as oversize luggage and seasonal outfits. Thailand is a humid tropical country and temperatures are about 25–35 Celsius throughout the year. Thus, Thai people do not need seasonal clothes, such as overcoats. The total cost seasonal clothes, accessories and oversize luggage may cost about one-third of the airfare price. It is undesirable to spend money on these traveling items which are rarely used. Actually, there are abundant, cheap travel items offered in the market. Cheap products can be substitute products; however, quality usually parallels price.

In fact, people care for their appearance which is linked to their self-confidence and self-esteem. Especially, nowadays most people care more about their appearance than before. There are numerous products involving physical appearance and a widespread beauty business throughout Thailand. Social media has become a routine part of life for the new generation and they share their life with the public. The needs are accomplished if counted in the wealthy group. Nevertheless, there are just 2 million Thais paying personal income tax, with only 30,000 people who pay at 37 percent tax rate. It can be explained that majority of Thai people are in the middle class. Even though Thailand has been considered by the World Bank as a country of the upper-middle income level. The mixture of remarkable overseas tourism growth, Thai's increasing purchasing power, and high levels of concern about personal image provide an opportunity to fill the unmet market for a rental service business for travel equipment. However, the creation and development of a new business is very risky. There are a myriad of obstacles in doing business. The goal of this study is to understand the market and to determine potential risks associated with business. (BMI Research, 2013; UNWTO & TA, 2013; Bhaopichitr et al., 2014; World Bank 2015).

Literature Review

Service Mix (7Ps)

The 4Ps has been a dominant and indispensable paradigm of marketing management for several decades. In 1960, McCarthy proposed the marketing mix concept as being composed of product, price, place and promotion, which is used as a framework for strategic marketing planning throughout the world. "The strength of the 4Ps approach is that it represents a memorable and practical framework for marketing decision-making and is proved useful for several case studies analysis in business schools for many years" (Constantinides, 2006). However, several studies have shown the 4Ps mix to be inadequate for the service sector. The critique of 4Ps by Fakeidea is that traditional marketing mix does not take into consideration the major characteristics of service and is developed for manufacturing companies. (Cowell, 1984) In addition, Booms and Bitner (1981) recognize the unique characters of service; they demonstrate the importance of environment factors influencing the quality perception and customers' experience, and they proposed the additional three Ps consisting of people, process and physical evidence. Moreover, Brunner (1989) argues the 4P elements must be extended to include more factors affecting the service marketing and suggested a concept, cost, channel, and communication elements approach. The personal relationship with customers and service quality are important elements of service marketing. Beckwith (2001) proposes marketing service in a changing environment requires focusing on increasing the customer satisfaction. He suggests the four keys of modern services marketing including price, brand, packaging and relationship.

The arguments reviewed above have similar perception on the unique characteristics of service and the need for a specific framework dealing with service marketing issues. An important factor of service is the human element that affects customers' experience. Due to service intangibility, physical evidence supports firms facilitating the flow of service delivery and differentiating themselves from their competitors. Most reviewed authors resist applying traditional 4Ps for designing service marketing. They propose additional elements to be considered or suggested new forms which are equivalent with 4P elements but viewed from the customer's perspective. Actually, several approaches for service marketing are proposed, but the 7Ps consider only core factors of service. Moreover, a study by Rafiq and Ahmed (1995) indicates a high degree of dissatisfaction with the 4Ps framework. The result shows that a fairly strong 7Ps framework, which more comprehensive and broader perspective, should replace 4Ps as the generic marketing mix (Constantinides, 2006; Goi, 2009; Anitsal, Girard & Anitsal, 2012).

Actually, the traditional service mix was developed while strategic marketing was mostly focused on products and less on service and customer participation. Currently, the conditions of the market environment have changed and customers and their needs have a significant influence. To be successful in business, the organization cannot neglect its customers' needs and behavior. The integration between business and customer aspects enables firms to develop an effective marketing approach. Thus, the 7Ps is an appropriate framework to adapt in this study to design service marketing for online rental business (see Table 1). The 7P elements are as follows (Goi, 2009; Anitsal, Girard & Anitsal, 2012):

1. Product/Service is defined as activities and performance designed to satisfy customer needs and expectations through an interactive process; this process can be facilitated by using tangible products. The four major characteristics of service are intangibility, inseparability, heterogeneity and perishability. The customers are unable to see, taste, feel, smell or touch in the same manner as with a physical product. After purchasing, they get only experience not ownership. A rental service for travel equipments is not a pure service; it combines both product and service. In fact, it is difficult to distinguish between pure goods and pure service. This business provides service by offering products for customers to use for a certain period of time. The customers have ownership of the product for the rental period. The quality of service not only depends on who, when, where and how it is provided, but also on the quality of rental products.

2. Price is defined as the value perception of products or services which are needed for the acquisition. Lewison (1996) suggests that price determination should be based on demand, cost, customer, competition, profit, product and legal consideration. In addition, strategic pricing for rental services should consider customers' other options, a rental price

that is competitive with a purchase cost, doable rental frequency, convenient offerings and experience. Pricing challenges exists since customers sensitive can easily compare prices among the numerous offerings that are available online.

Table 1 Service mix for online rental business

Service mix for online rental business		
1) Product	Rental service	Brand name
	Rental offering options	Packaging
	Quality of rental products	Warranty
2) Price	Rental rate	
	Payment method	
3) Place	Distribution channels	
	Logistics	
4) Promotion	Media advertising	Sales promotion
	Public relations	Personal selling
5) People	Internal	External
	Employee training	Customer behavior
	Employee commitment	Customer participation
6) Process	Rental policies	Flow of activities
	Purchasing procedure	Process Security
	Website design	
7) Physical evidence	Website design	
	Website accessibility	

Source : Adapted from Anitsal, Girard and Anitsal (2012)

3. Place or distribution channel means where products or service are available for customers, including the process of distributing products to locations that are appropriate and convenient for the customers. The product or service must be available in the right place, at the right time and at the right cost. The process of designing distribution involves several decisions including channel structure, channel coordination, channel type, channel coverage and channel exclusivity. The rental business for travel equipments uses the internet as a channel. Using the internet as a distribution channel, small firms with limited resources gain more opportunities in offering services to a wider range of customers.

4. Promotion is the way that companies communicate, both internally and externally, about what they do and what they offer. This consists of firm identity, branding,

advertising, public relation and sale promotion. According to Fill (2006), a number of variable media and new interactive forms of communication have resulted through technology development. The social media such as Twitter, Facebook or Instagram are important media these days for consumers. Kietzmann, Hermken, McCarthy and Silvestre (2011), argue that “the development of social media represents a substantial and pervasive change in the way of communication between organization and customers.” This allows organizations to directly and closely listen to their customers, but also represents challenges in establishing adequate methods dealing with customer behavior and expectation. Therefore, effective communication should induce customers to choose the company’s service rather than competitors. Understanding customers’ behavior assists the organization in managing and providing satisfactory solutions for their customers.

5. People refer to personnel who deliver service to customers. This is a crucial factor affecting positive or negative experiences customers. A market research shows many customers cannot separate service from the service provider. Employee satisfaction and customer satisfaction are clearly related. Both internal and external people should be considered in order to effectively manage a firm’s customers. While e-commerce business customers purchased directly through website, they may communicate with personnel for more information or support. The employees should be appropriately trained, well-motivated and have good attitudes toward service to provide effective service for potential customers.

6. Process means a procedure and flow of activities in delivering service. Business processes are often designed for company benefit and frequently overlook in customer benefits. Process designer should consider that customers are interested in how system works to benefit them.

7. Physical evidence includes everything tangibles that facilitates service experience, such as ambient conditions, space, signs and symbols. Physical evidence influences customers’ experience throughout the duration of service. The physical evidence of an online business is its website. To create an impressive experience, the website designing process should take the 7Cs into account, which consists of the following items (Patterson & Ward, 2000):

Context – functional, design and layout. It should be easy to read, user friendly and easy to navigate throughout the site.

Content – includes organization’s offering mix such as service options, information and multimedia mix, such as text, audio and graphic.

Community – should provide the means to build a relationship between the organization and customers, and among customers.

Customization – ability for customers to modify aspects of the site.

Communication – provides multiple channels for customers to communicate with the firms.

Connection – links from other sites to firm's site and links on the firm's site to others.

Commerce – the transaction process should be easy, secure and fully informative.

Sharing Economy

Sharing economy also known as collaborative consumption is a concept that aims to monetize existing assets that are underutilized. Sharing economy encompasses a wide range forms including sharing, bartering, lending, trading, renting, gifting, and swapping goods rather than buying. The core concept is that access to goods is more important than ownership. This idea offers alternative options for people to access goods or services in different ways. Nowadays, new generations are not as interested in ownership of physical assets as previous generations. Ownership of house or car does not symbolize success in their perception. They want to pay for accessing things when they need. The advantage of sharing is liberating. A participant can experience different things easily without committing anything. The sharing economy has been rapidly expanded in recent years due to recession situation, especially in the USA. In 2011, Time named the sharing economy as one of the top ten ideas that will change the world. Forbes and The Economist noted that the sharing economy has immense potential. Currently, there are lot of successful sharing economy platforms such as Airbnb, Relayrides, Toolspinner, Snapgoods, etc. This idea assists owners in monetizing their existing assets (Geron, 2013).

Most people have a lot of things which are underutilized such as home, free space, cars, tools, food or even their skills. The concept of collaborative consumption will be proper with things that are quite expensive or underused. The internet and social networks play significant roles in sharing economy expansion by connecting people with low transaction costs. On the other hand, trust is an important criterion that people are concerned about when entering into a sharing activity. For example, Airbnb has integrated with Facebook to verify identity of its participants both offline and online. This method increases trust between providers and participants. In addition, the sharing economy generates various benefits including alternative options for renters, additional income for providers, environmental benefit through less consumption, and social community. However, research shows that customers are concerned only about affordability, convenience and functionality. Environmental concern and social issues do not matter for consumers. The challenge of the sharing economy concept is regulation and insurance which are appropriate for this model (Cooke, 2013; Allen & Berg, 2014).

Initially, the study focuses on the rental business and there are several articles indicating that rentals are a part of the sharing economy. On the contrary, the founder of sharing economy platforms defined the sharing economy as being totally different from the traditional rental business. However, the researcher's perception of traditional rental business and sharing economy are not totally different or exactly the same. Both offer options for consumer instead of buying. The main purpose of the sharing economy is to monetize existing underused assets. But, the rental business focuses on profit from service. For example, Relayrides offers rental cars the same as Avis but Relayrides owns no cars. Relayrides provides rental cars from individuals who participate on their website. So, the business model between shared and rental may be different. The rental business is mainly concerned about gaining profit via value deliver and cost management (Sacks, 2011).

On the other hand, sharing economy platforms aim to expand their network and increase trust and reputation to get fees from participants. Abeywickrema built a platform for users testing about rental service of everything named Rentalic and they concluded that “the sharable things should cost more than 100\$ and less than 500\$, and be easily transportable and infrequently used” (Sacks, 2013). The sharing economy needs appropriate platforms in the marketplace to do efficient business. Currently, the sharing economy in Thailand is not as widespread as in the USA or Europe. There are several issues challenging sharing economy businesses in the Thai context, especially culture and people perception. However, the sharing economy can be an opportunity to startup or expand business in the near future (Fournier, Eckhardt & Bardhi, 2013; Voight, 2013).

Research Methodology

Quantitative methods are employed in this research to explore market potential and to obtain understanding of the target market. The research instrument is a questionnaire survey conducted online. Quota sampling is used as a method for collecting data through social media. The researcher distributes the questionnaire via online because the respondents, representing targeted customers, are expected to be familiar with online activities. A total of 450 questionnaires will be distributed to the targeted population by social media mainly Facebook. The purpose of the online survey is to explore market potential, customer behaviors and attitude toward rental service for travel equipments. The disadvantage of an online survey is that it is difficult to certify understanding of respondents in the questionnaire context. So, a short video clip of the online rental service concept is provided with the questionnaire to reduce confusion and to enlighten the audience about business concepts.

In addition, the researcher collected information from secondary sources including statistics, relevant market research, news, and articles that are related to online rental business. The information from existing data will provide information on the general situation of the business environment. Moreover, some entrepreneurs of rental businesses are interviewed to enhance understanding of consumers; the researcher will interview business people offering rental service involved with traveling. The information from entrepreneurs will be used for questionnaire design. Practical information about business situations and customer behavior towards rental service will provide a better understanding to develop strategies in the business plan. It takes around one month to distribute questionnaires, conduct interviews and collect data from secondary sources. Extensive information from several sources will provide the researcher a comprehensive understanding of strategy development for business start-up. The information from entrepreneurs and consumers will be integrated and analyzed to provide a sound database for business plan development.

Research Findings

Table 2 Personal attributes of the survey respondents via online questionnaires

Category	Interested (%)	Neither...nor... (%)	Uninterested (%)	Total
<i>Sex</i>				
– Male	21	24	54	100
– Female	25	24	51	100
<i>Age (years)</i>				
– Below 22	16	33	51	100
– 22 to 35	28	23	49	100
– 35 to 45	19	17	64	100
– Over 35	27	16	57	100
<i>Travelling budget each year (Thai Baht)</i>				
– Below 10,000	21	27	52	100
– 10,001 to 20,000	23	34	43	100
– 20,001 to 40,000	26	21	53	100
– Over 40,000	25	14	61	100
<i>Travel abroad</i>				
– Yes	25	25	50	100
– No	20	25	55	100

Table 2 Personal attributes of the survey respondents via online questionnaires (continued)

Category	Interested (%)	Neither...nor... (%)	Uninterested (%)	Total
<i>Frequency of overseas travel within 3 years</i>				
- None	30	25	45	100
- One	30	29	41	100
- Two	23	21	56	100
- Three	22	18	60	100
- Over three	21	23	56	100

Females are slightly more interested in renting service than males. The age classification has indifferent results across each group. People between 22–35 years old and over 45 years old are most interested in renting at 28% and 27%, respectively. The small sample size of the latter group, is weak evidence for representing for the entire population. So, the study pays attention to the 22–35 years group. Meanwhile, chiefly uninterested groups include people between 35–45 years of age (64%). According to results, it seems people aged between 35 to 45 years could offer the lowest possibility in terms of being customers of a rental business. They represent the highest proportion of uninterested group and least interested compared to other age groups. Moreover, the group below 22 years old shows the lowest interest in a rental business, along with their limited purchasing power. Therefore, they may not be a primary market of the rental business. Meanwhile, the group between 22 to 35 years old could be a major customer target because of its highest interest and lowest uninterested percentage.

The data presents slightly different percentage of entire group in travelling budget category of interested group, with approximately one-quarter each group. The people who are interested in renting are not restricted by low travelling budget. The highest percentage of the interested group is people who have travelling budgets each year higher than 20,000 Thai Baht. It can be implied that budget has insignificant impact on how interested this group is in rental services. In addition, for uninterested group compared with travelling budget found that uninterested people disperse entire group with proximate percentage. Thus, with an insignificant difference of the interested group in travelling budget it might be concluded that travelling budget is not a crucial influence on how interest in rental services.

Entrepreneur Perspectives

There are just a few entrepreneurs offering rental services relevant to travelling equipment in the Thai market. From the interviews, it appears that they provide rental services for additional income or as an alternative to complement their business, not as a core business. Furthermore, some of them said “this is rather poorly profitable business”.

The entrepreneur providing a clothes rental business seems to be the only one who becomes highly successful. It is because the products that she offered in her rental service were her own belongings when starting up. She did not buy anything new. Furthermore, the challenges of the rental business in Thailand are Thai people's characteristics in terms of personal responsibility, as well as most Thais dislike anything complicated or difficult. To complete the rental process, it takes time and still involves several steps.

Secondary Source

The study collected information from various secondary sources. During observation at Blueplanet café for over six months, requests about where to rent seasonal clothes, luggage and backpack were often seen on Blueplanet webboard, which is a forum about travel, on the Pantip website. Most replies to the requests suggest purchasing travel items instead of renting because of no ownership and the responsibility of damaged cost. Some responses expressed interest in rental service but after seeing the agreement about damaged fee and deposit charge, they decided to purchase instead. The market survey of Thai travelers by Visa Inc. (2015) reported there will be many new travelers embarking on their first trip over the next few years due to a rise of emerging economies and middle classes. The many first-time travelers will come from Asia-pacific countries and most are in their 20s and 30s, and 88% of them are not affluent, earning less than 100,000 Thai Baht a month in Thailand. Also, 7 days/nights is the average stay at a destination for Asia-Pacific travelers.

Some studies have confirmed that traditional marketing communications are not relevant to consumers' decisions to travel nowadays. However, the customers pay high attention to customer reviews. Moreover, well-known bloggers have crucial influence on customers' purchasing decisions. Recently in Thailand, for example, many cosmetics were in short supply after Miss Naphasorn (Momay) Buranasiri, a beauty guru suggested them via her online TV channel called Momay Pa-plearn. In addition to the TV channel, her Youtube videos reach over one million views. Moreover, the market research by College of the Management, Mahidol University (2015) about online influencers' reports that 63% of Facebook users are Gen Y, between 21-35 years of age. Over three-quarters of its survey accepts that reviews or information from an online influencer high impacts their purchasing decision. Furthermore, business cannot neglect the online channel via mobile because several surveys have shown a considerable increase in shopping via mobile. The questionnaire result presents unimpressive potential in a renting service with only one-thirds of respondents interested in the service. The greatest interest is in the age range between 22-35 years, mostly Gen Y and some Gen M. In 2013 Gen Y accounted for 16 million people in Thailand, which has enormous potential for its business (Choorat, 2011; Pedthong, 2013).

Additionally, the Visa Inc.'s survey reported that the first-time traveler from Asia-Pacific is mostly from middle classes, with ages in the 20s and 30s. They will be a key customer for upcoming travel trends. Thus, people aged between 22–35 years will be mainly focused on as potential target customers in the study. Travel budgets highly influence their trips. Moreover, the average stay at a destination for Asia-Pacific travelers is just one week. Currently, middle-income travelers have high spending compared to their incomes. They are seeking premium products to fulfill their lifestyle and leverage social image with limited purchasing power. As such, the gap between needs and incomes of the middle class could be an opportunity for the renting business (Visa Inc., 2015).

Considering market potential and the entire population, the small potential in the renting service remains an attractive opportunity to enter business. The target customer for a rental travelling equipments business will be mainly between 22–35 years of age, travel abroad infrequently, and have the ability to spend over 10,000 Thai Baht for travelling each year. However, the business will not overlook those who travel more often and others age ranges but these will have a minor focus. For younger groups, business might offer moderated quality with attractive rate parallel with their purchasing ability. Although, it seems unpromising to start up a rental service as a core business in Thailand, the enormous population of the target market renders an attractive opportunity to taking risk. The rental business might not be highly attractive for a large company; however, the market size and gaps of untapped market provide opportunity for a small scale startup. (Visa Inc., 2015)

Conclusions

At this point, the research has achieved the objectives which were to explore the market possibility of an online rental business for travel equipments in Thailand. The 7Ps, a practical concept of all key business factors, was a critical framework applied in our strategic marketing planning. However, this approach was concerned only core factors of service business. Other factors influencing business should be considered in strategic development to reach the business objectives. Operation is also an important part of business to ensure its continuity and efficiency. Moreover, a closer integration between business needs and customer desires is essential for effective business strategies. Nonetheless, marketing is a bit more concerned. If business can not attract and deliver its service value to prospective customers, the forecast in financial plan could not be possible.

Finally, the online rental business for travel equipments is fairly feasible in Thailand. Even though the survey shows limited potential of target customers, the business remains attractive because of the enormous size of the target market and the promising trends of business growth. Thus, it may be risky for a big investment in this kind of business but it is possible for a small scale investment. The research has examined deeper issues to develop more understanding about business. Identified factors are quite positive but the most pressure of this business is a wide variety of substitute products with varying price in marketplace. To be successful, the business must efficiently communicate and deliver its service to the target customers. Due to low recognition of rental services in targeted customer awareness and negative experience about the rental service, the business must put high effort in promoting the distinctive points of business service. The customer experience is vital for business viability. A big customer base is not as important as a strong customer base because satisfied customers can help expand customer base by word of mouth.

For the financial part, the business is able to gain profitability within two years on the assumption that only half of the offered products, 20 pieces of rental products per a week, have been rented. But the capability of gaining net profit is not very high, perhaps an average of 30 percent, because the business is highly concerned with quality service. Thus, operation costs are quite high. This business can generate acceptable profit for one who desires to be an entrepreneur but it would not be suitable for someone who is seeking a chance to become a millionaire. To be successful, the entrepreneur should be aware that the customers have unlimited needs and the same options will not satisfy their needs forever. Even though the business is a small scale operation, innovation is essential for survival in a highly competitive situation and to sustain profitability. The forecast in the research cannot guarantee the result of the business investment in reality. The important factors affecting the business have changed over time, the strategies being discussed in this paper would require adjusting before implementation. Additionally, after implementation, an ongoing review between actual result and plan is essential to sustain profitable business.

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