THAI HOTEL CLASSIFICATION: A CLUSTER ANALYSIS BASED ON ENTREPRENEURIAL MARKETING CHARACTERISTICS

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ABSTRACT

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This paper seeks to explore whether there is any meaningful clusters of Thai hotels based on entrepreneurial marketing variables and the demographic characteristics of hotels and their managers. Exploratory two-step cluster analysis was adopted since it can deal with both categorical and continuous data simultaneously. The analysis resulted in nine clusters, each with its own unique characteristics. The findings indicated that three major characteristics of hotel and hotel managers —hotel size, gender, and types of manager (owner vs. non-owner)— play important roles in the cluster formation process. It is suggested that future research in entrepreneurial marketing investigate the relationships between the characteristics of hotels and their managers and entrepreneurial marketing attributes in more detail in order to advance knowledge in this relatively new area of research.

40

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บทคัดย่อ

งานวิจัยชิ้นนี้มีวัตถุประสงค์เพื่อทำการสำรวจว่าสามารถจัดกลุ่มโรงแรมในประเทศไทยตามลักษณะตัวแปร การตลาด ผู้ประกอบการและลักษณะทางประชากรศาสตร์ของโรงแรมและผู้จัดการโรงแรมได้หรือไม่

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การวิเคราะห์การจัดกลุ่มเชิงบุกเบิกแบบสองขั้นตอน (Exploratory Two-Step Cluster Analysis) ได้นำมาใช้ใน การวิเคราะห์จัดกลุ่มเนื่องจากสามารถจัดการกับข้อมูลทั้งที่เป็นข้อมูลแบบต่อเนื่อง (Continuous) และแบบจำแนกประเภท (Categorical) ได้ ผลการวิเคราะห์แสดงว่าสามารถจัดกลุ่มโรงแรมได้เป็น 9 กลุ่ม แต่ละกลุ่มมีลักษณะเฉพาะเป็นของตนเอง ผลการวิจัยพบว่ามีลักษณะของโรงแรมและผู้จัดการโรงแรม 3 ประการ ได้แก่ ขนาดของโรงแรม เพศ และประเภทของ ผู้จัดการ (ผู้จัดการที่เป็นเจ้าของและไม่ได้เป็นเจ้าของโรงแรม) ที่มีบทบาทสำคัญในกระบวนการจัดกลุ่ม

ผู้วิจัยมีข้อเสนอแนะสำหรับงานวิจัยในอนาคตที่เกี่ยวข้องกับการตลาดผู้ประกอบการโดยเสนอให้ศึกษา ความสัมพันธ์ ระหว่างลักษณะของโรงแรมและผู้บริหารโรงแรมกับลักษณะต่างๆที่เกี่ยวข้องกับการตลาดผู้ประกอบการเพื่อที่ จะสร้างและ พัฒนาองค์ความรู้ในหัวข้อวิจัยที่ยังเป็นหัวข้อที่ยังค่อนข้างใหม่หัวข้อนี้

INTRODUCTION

In the past two decades, entrepreneurial marketing (EM) has gained rapid attention from marketing, entrepreneurship, and management scholars as a relatively new area of research, which has attempted to link two closely related disciplines — entrepreneurship and marketing (Carter, 2006; Hoy, 2008). The marketing management school of thought has been criticized for taking a reactive, static approach, despite often volatile business environments. EM has emerged as an alternative marketing approach that is dynamic, market-driving, and proactive in its approach, and is more suitable for hostile business environments (Miles & Darroch, 2006).

Numerous studies have noted differences in how firms with different demographic characteristics approach their marketing. Large firms, for instance, usually differ from small firms in terms of market planning, segmentation, the adoption of interactive marketing, etc. (Coviello et al., 2000; Carson, 1985). Existing literature also noted many possible relationships between the characteristics of firms and their managers and EM attributes. For example, in terms of gender, women are often found to be more risk-averse, and tend to rely more on personal networks compared to their male counterparts (Alsos et al., 2006; de Bruin, 2006). Also, as they age, managers tend to focus less on entrepreneurial activities and growth (Gielink et al., 2012; Levesque & Minnitu, 2006).

To date, there are still a limited number of studies that explore the relationships between the demographic characteristics of hotels and managers and EM attributes. It is, therefore, the goal of this paper to fill this gap in the literature by starting with the exploration of these variables through the use of cluster analysis. The principal question that this paper

seeks to answer is whether there is a meaningful cluster of the sample of Thai hotels based on selected EM and demographic variables. The reason that the Thai hotel industry was chosen for this study was that it is considered crucial to Thailand's economy. In 2014, the Thai travel and tourism industry, in which the hotel industry is a part of, was worth THB 1,037.3 billion (8.6% of the Thai GDP) (World Travel & Tourism Council, 2016). The hotel industry alone was worth THB 233,642 million in 2014. (Euromonitor, 2016). The industry is also an

VOLUME 6 NO. 2 JULY - DECEMBER 2017

important sector for the exploration of marketing activities since hotels adopt a vast number of these activities to satisfy the needs of their customers. Moreover, marketing activities are the key tools that the hotels often use to boost their sales in order to cope with seasonality.

This paper is organized as follows. First, the literature on the key elements of EM is reviewed, followed by a discussion of the research methodology. The findings are then presented. The differences among clusters are discussed so as to provide insights into how the clusters are formed, and which variables were critical in their formation. The paper then concludes with an overall summary, limitations, and some suggestions for future research.

REVIEW OF RELATED LITERATURE

This section reviews the key EM elements that will be included in this study. Although there is no well-accepted, comprehensive list of what constitutes EM, relevant elements drawn from the literature include (1) entrepreneurial orientation, (2) market orientation, (3) entrepreneurial learning, (4) networking, (5) environmental uncertainty, and (6) growth/firm performance. Table 1 summarises the key EM dimensions emphasised in the EM literature.

Entrepreneurial Orientation (EO) is a multidimensional construct that attempts to capture the tendency to entrepreneurship. Three commonly accepted dimensions of EO are: risk taking, innovativeness, and proactiveness (Lee, Lee, & Pennings, 2001; Lyon, Lumpkin, & Dess, 2000; Zahra, Jennings, & Kuratko, 1999).

Market Orientation (MO) is defined, based on the cultural perspective, as an organisational culture that leads to behaviours that are necessary to create more values for customers and improve business performance (Narver & Slater, 1990). Three underlying dimensions of MO include customer orientation, competitor orientation, and interfunctional coordination.

Learning Orientation (LO) is another important component of EM. The ability to learn new things

Table 1: EM Elements Em	pha	sise	s by	Dif	fere	nt E	im s	ichc	olars	;										
Author(s)								E	Elemer	nts of E	Mem	phasis	ed							
Rei	Entrepreneurial Orientation	Market Orientation	Learning Orientation	Networking	Customer Orientation	Sales Orientation	Opportunity-Driven	Proactiveness	Innovation-focused	Risk Management	Resource Leveraging	Value Creation	Customer Intensity	Strategic Flexibility	Change/ Disruptive Bahaviour	Growth	Dynamic Environments	Co-creation of value	Firm creation	Management Structure
Morris and Paul (1987) Hisrich (1992) Gilmore and Carson (1999) Shaw (1999)	1	1		√ √	1		1			1							1		1	
Hill & Wright (2000) Stokes (2000)	V	\checkmark	d	V			\checkmark		V								\checkmark			
Collinson and Shaw (2001) Morris, Schindehutte & LaForge (2002) Bjerk and Hultman (2002)	\checkmark		v √	v √			\checkmark	\checkmark		\checkmark	$\sqrt[]{}$	$\sqrt[]{}$	\checkmark			N √	N	\checkmark		
Miles and Darroch (2006) Carter (2006) Hills and Hultman (2006)	\checkmark	\checkmark	\checkmark	V			V	\checkmark	√ √	V	~	V	V		V	V	$\sqrt{1}$		\checkmark	
Kropp, Lindsay and Shoham (2006) Hoy (2008)	√	V	$\sqrt[]{}$,								
Hills, Hultman & Miles (2008) Schindehutte, Morris & Pitt (2009) Jones and Rowley (2010)	٦ ٦				al	al		\checkmark	V	\checkmark		٨	V							V

42

ASSOCIATION OF PRIVATE HIGHER EDUCATIONS INSTITUTIONS OF THAILAND

UNDER THE PATRONAGE OF HER ROYAL HIGHNESS PRINCESS MAHA CHAKRI SIRINDHORN

is critical to boost up entrepreneurial activities (Krauss et al., 2005). Firms with high learning capabilities was found to correlate with firm's ability to innovate and sustainable competitive advantage (Weerawardena & O'Cass, 2004).

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Networking can help firms to improve marketing effectiveness if they use it entrepreneurially (Shaw, 1999). Networking activities can be used as a means to gain market information in order to understand and cope more effectively with environmental uncertainty (Carson, Cromie, & McGowan, 1995; Shaw, 1999). Networking activities include exchanges between network actors and the creation, management, and maintenance of network relationships (Conway & Jones, 2006).

Environmental Uncertainty: The ability to respond to environmental uncertainty is important for entrepreneurially market-oriented firms. Environmental uncertainty is a multidimensional and context-specific construct (Milliken, 1987; Buchko, 1994; Boyd & Fulk, 1996; Weaver et al. 2002). In this study, subjective (perceptual) measures based on the work of Miller (1993) were adopted since they comprehensively measure uncertainty on three levels: macro-environmental, industrial, and organizational.

To a certain extent, Growth and Organisational Performance are expected to be improved if organisations approach their marketing entrepreneurially (Bjerke & Hultman, 2002; Morris et al., 2002). According to Bjerke and Hultman (2002), entrepreneurial firms not only need to grow by "doing more of the same" (p. 14), but through innovation.

The above-mentioned six EM dimensions are the key variables that will be included in the analysis, along with other demographic variables,

p40-58 inter-Charnsid indd 43

to explore how the Thai hotels can be classified into groups based on these variables.

RESEARCH METHODOLOGY Sample and Data Collection

The data in this study were collected through a mail survey, with the target population being all general or marketing managers working in the Thai hotel industry. In the case of small hotels, hotel owners would frequently be the ones who completed the postal survey since they also often serve as hotel managers. The list of the hotels in Thailand was compiled from various sources, including the Thai Hotel Association's website, five hotel guidebooks, the Tourism Authority of Thailand's website, local telephone directories, the Yellow Pages, and the Ministry of Commerce database. The final list contains the names and addresses of 7,723 hotels, of which 3,000 were randomly selected and the mail questionnaires distributed to them. Of all the questionnaires posted, 224 were returned undelivered due to wrong address, change of address, or business close-down. In addition, 62 questionnaires that contained more than 70 percent of missing values were excluded from the study. The total usable questionnaires were 369, a response rate of 13.29 percent. The summary of sample characteristics is presented in Table 2.

Measures of Variables

The 133-item self-administered survey was created to measure key elements of EM, marketing variables, perceived environmental uncertainty (PEU), and organisational performance. Most of the measures were developed based mainly on existing scales.

Characteristics of H	lotels	Frequency	Percen
Size	Micro	59	16.0
	Small	181	49.1
	Medium	63	17.1
	Large	66	17.9
Age	1-5 years	62	16.8
	6-10 years	82	22.2
	11-15 years	77	20.9
	16-20 years	79	21.4
	21-25 years	35	9.5
	26-30 years	15	4.1
	31-35 years	10	2.7
	36-40 years	4	1.1
	41-45 years	3	0.8
	46-50 years	1	0.3
	more than 50 years	1	0.3
Ownership Type	Sole Proprietorship	121	32.8
	Partnership	63	17.1
	Corporation	182	49.3
	Others	3	0.8
Number of Full-			
Time Employess	1-10	59	16
	11-20	82	22.2
	21-50	94	25.5
	51-100	60	16.3
	101-150	27	7.3
	150-200	22	6
	More than 200		
		25	6.8
Characteristics of H	lotel Managers	Frequency	Percen
Characteristics of H Age	lotel Managers 20-30 years old	Frequency 59	Percen 16.0
	lotel Managers 20-30 years old 31-40 years old	Frequency 59 90	Percen 16.0 24.4
	lotel Managers 20-30 years old 31-40 years old 41-50 years old	Frequency 59 90 136	Percen 16.0 24.4 36.9
	lotel Managers 20-30 years old 31-40 years old 41-50 years old 51-60 years old	Frequency 59 90	Percen 16.0 24.4 36.9
	lotel Managers 20-30 years old 31-40 years old 41-50 years old 51-60 years old More than 60 years	Frequency 59 90 136 66	Percen 16.0 24.4 36.9 17.9
	lotel Managers 20-30 years old 31-40 years old 41-50 years old 51-60 years old	Frequency 59 90 136	Percen 16.0 24.4 36.9 17.9
Age	lotel Managers 20-30 years old 31-40 years old 41-50 years old 51-60 years old More than 60 years	Frequency 59 90 136 66	Percen 16.0 24.4 36.9 17.9 4.9
Age	lotel Managers 20-30 years old 31-40 years old 41-50 years old 51-60 years old More than 60 years old Less than 1 year 1-5 years	Frequency 59 90 136 66 18 7 86	Percen 16.0 24.4 36.9 17.9 4.9 1.9 23.3
Age	lotel Managers 20-30 years old 31-40 years old 41-50 years old 51-60 years old More than 60 years old Less than 1 year	Frequency 59 90 136 66 18 7	Percen 16.0 24.4 36.9 17.9 4.9 1.9 23.3
Age	lotel Managers 20-30 years old 31-40 years old 41-50 years old 51-60 years old More than 60 years old Less than 1 year 1-5 years	Frequency 59 90 136 66 18 7 86	Percen 16.0 24.4 36.9 17.9 4.9 1.9 23.3 24.4
Age	lotel Managers 20-30 years old 31-40 years old 41-50 years old 51-60 years old More than 60 years old Less than 1 year 1-5 years 6-10 years 11-15 years 16-20 years	Frequency 59 90 136 66 18 7 86 90	Percen 16.0 24.4 36.9 17.9 4.9 1.9 23.3 24.4 16.0
Age	lotel Managers 20-30 years old 31-40 years old 41-50 years old 51-60 years old More than 60 years old Less than 1 year 1-5 years 6-10 years 11-15 years 16-20 years 21-25 years	Frequency 59 90 136 66 18 7 86 90 59	Percent 16.0 24.4 36.5 17.5 4.5 23.3 24.4 16.0 20.1
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Age Industry Experience Business	lotel Managers 20-30 years old 31-40 years old 41-50 years old 51-60 years old More than 60 years old Less than 1 year 1-5 years 6-10 years 11-15 years 16-20 years 21-25 years 26-30 years more than 30 years	Frequency 59 90 136 66 18 7 86 90 59 7 86 90 59 74 30 13 10	Percen 16.0 24.4 36.9 17.9 4.9 1.9 23.3 24.4 16.0 20.1 8.1 3.9 2.7
Age Industry Experience	lotel Managers 20-30 years old 31-40 years old 41-50 years old 51-60 years old More than 60 years old Less than 1 year 1-5 years 6-10 years 11-15 years 16-20 years 21-25 years 26-30 years more than 30 years Less than 1 year	Frequency 59 90 136 66 18 7 86 90 59 7 86 90 59 74 30 13 10 102	Percent 16.0 24.4 36.9 17.9 4.9 23.3 24.4 16.0 20.1 8.7 3.5 2.7
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Age Industry Experience Business	lotel Managers 20-30 years old 31-40 years old 41-50 years old 51-60 years old More than 60 years old Less than 1 year 1-5 years 6-10 years 11-15 years 16-20 years 21-25 years 26-30 years more than 30 years Less than 1 year 1-5 years 6-10 years 6-10 years	Frequency 59 90 136 66 18 7 86 90 59 7 86 90 59 74 30 13 10 102 57 64	Percent 16.0 24.4 36.9 17.9 4.9 23.3 24.4 16.0 20.1 8.1 3.5 2.7 27.6 15.4 17.5
Age Industry Experience Business	lotel Managers 20-30 years old 31-40 years old 41-50 years old 51-60 years old More than 60 years old Less than 1 year 1-5 years 6-10 years 11-15 years 16-20 years 21-25 years 26-30 years more than 30 years Less than 1 year 1-5 years 6-10 years 11-15 years 1-15 years 1-15 years 1-15 years 1-15 years 1-15 years 1-15 years	Frequency 59 90 136 66 18 7 86 90 59 7 86 90 59 74 30 13 10 102 57 64 52	Percent 16.0 24.4 36.9 17.9 4.9 1.9 23.3 24.4 16.0 20.1 8.1 3.9 2.7 27.6 15.4 17.9 15.4 17.9 24.4 16.0 20.1 8.1 3.5 2.7 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 15.4 27.6 17.9 27.6 15.4 27.6 15.4 27.6 15.4 27.6 15.4 27.6 15.4 27.6 15.4 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9
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Age Industry Experience Business	lotel Managers 20-30 years old 31-40 years old 41-50 years old 51-60 years old More than 60 years old Less than 1 year 1-5 years 6-10 years 11-15 years 16-20 years 21-25 years 26-30 years more than 30 years Less than 1 year 1-5 years 6-10 years 11-15 years 15 years 6-10 years 11-15 years 11-25 years 12-25 years	Frequency 59 90 136 66 18 7 86 90 59 90 131 102 57 64 52 40 34	Percent 16.0 24.4 36.9 17.9 4.9 1.9 23.3 24.4 16.0 20.1 8.1 3.5 2.7 27.6 15.4 17.5 14.1 10.8 9.2
Age Industry Experience Business	lotel Managers 20-30 years old 31-40 years old 31-40 years old 41-50 years old 51-60 years old More than 60 years old Less than 1 year 1-5 years 6-10 years 21-25 years 26-30 years more than 30 years Less than 1 year 1-5 years 6-10 years 11-15 years 6-10 years 11-15 years 11-15 years 11-15 years 11-15 years 26-30 years 21-25 years 26-30 years 21-25 years 26-30 years 21-25 years 26-30 years 21-25 years 26-30 years 21-25 years 26-30 years 21-25 years 26-30 years	Frequency 59 90 136 66 18 7 86 90 59 7 86 90 59 74 30 13 10 102 57 64 52 40 34 11	Percen 16.0 24.4 36.9 17.9 4.9 1.9 23.3 24.4 16.0 20.1 8.1 3.5 2.7 15.4 17.3 14.1 10.8 9.2 3.0
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Age Industry Experience Business	lotel Managers 20-30 years old 31-40 years old 31-40 years old 41-50 years old 51-60 years old More than 60 years old Less than 1 year 1-5 years 6-10 years 21-25 years 26-30 years more than 30 years Less than 1 year 1-5 years 6-10 years 11-15 years 6-10 years 11-15 years 11-15 years 11-15 years 11-15 years 26-30 years 21-25 years 26-30 years 21-25 years 26-30 years 21-25 years 26-30 years 21-25 years 26-30 years 21-25 years 26-30 years 21-25 years 26-30 years	Frequency 59 90 136 66 18 7 86 90 59 7 86 90 59 74 30 13 10 102 57 64 52 40 34 11	Percent 16.0 24.4 36.9 17.9 4.9 1.9 23.3 24.4 16.0 20.1 8.1 3.9 2.7 27.6 15.4 17.9 15.4 17.9 24.4 16.0 20.1 8.1 3.5 2.7 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 17.9 27.6 15.4 27.6 17.9 27.6 15.4 27.6 15.4 27.6 15.4 27.6 15.4 27.6 15.4 27.6 15.4 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9 27.6 15.4 17.9

44

ASSOCIATION OF PRIVATE HIGHER EDUCATIONS INSTITUTIONS OF THAILAND UNDER THE PATRONAGE OF HER ROYAL HIGHNESS PRINCESS MAHA CHAKRI SIRINDHORN

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Entrepreneurial Orientation The three widely-accepted elements of entrepreneurial orientation, namely innovativeness, proactiveness, and risk taking, were measured using the scales developed by Covin & Slevin (1988, 1989, 1990). This 9-item scale has been used in many EO-performance studies and reported to have a high coefficient alpha (for example, see Kropp et al., 2006; Becherer & Maurer, 1997). All of the items are measured on a 9-point Likert scale.

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Market Orientation In this study, due to the length of the questionnaire, a 9-item Deshpandé, Farley, and Webster (1993)'s scale was chosen. MO is measured using a 7-point Likert scale, ranging from "1" = "strongly disagree" to "7" = "strongly agree."

Learning orientation Sinkula, Baker, and Noordewier (1997) developed an 11-item scale in an attempt to operationalize the LO construct. This scale was revised again by Baker and Sinkula (1999b). The scale consists of 18 items and was adopted in this study.

Networking A firm's level of engagement in networking activities is measured by the scales adapted from Ostgaard and Birley (1994, 1996). These scales captured five aspects of network and networking activities, including size of network, amount of time spent on networking activities, network density, network intensity, and network content.

Marketing Activities The extent to which firms engage in marketing activities is measured using the marketing activities cited in major marketing textbooks and entrepreneurship and hospitality and tourism management literatures (Kotler & Keller, 2006; Friel, 1998; Gilmore et al., 2006). The list was tested with marketing managers and experts in the field of tourism and hospitality management, and then modified based on their comments. The modifications included word changes and exclusion of some items that are not appropriate for the service industry. The final scale contains 24 items. Respondents were asked to rate the extent to which they engage in the 24 marketing activities from 1 (not at all) to 7 (to a very large extent).

Perceived Environmental Uncertainty (PEU) This study follows Miller (1993)'s 32- item 7-point PEU scale. The scale resulted in a Cronbach's of 0.961.

Hotel Performance Subjective (perceptual) performance measures was used in this study. Respondents were asked to compare their firm's performance against their major competitors and to indicate how satisfied they were with their performance. This research adopted perceptual measure because hotels, especially small ones, are usually unwilling or unable to provide objective performance data (Sapienza, Smith, & Gannon, 1988). The performance measure was achieved by the use of 11-item scale adopted from Tan and Litschert (1994) and Kropp et al. (2006). All 11 items were combined and averaged to provide the overall picture of firm performance.

Data Analysis

A two-step cluster analysis was conducted using SPSS to classify the hotels in the study into meaningful categories. This technique is deemed suitable for this study since the dataset is considered relatively large, and the analysis includes both continuous and categorical variables, which could be tested simultaneously using this technique (Norusis, 2008; Garson, 2009). Due to the exploratory nature of this study, no a priori hypotheses or

VOLUME 6 NO. 2 JULY - DECEMBER 2017

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specified number of clusters was made prior to the analysis. The number of clusters used was determined using Schwarz's Bayesian Criterion (BIC) and by observations of the cluster composition. To ensure that the number of clusters was appropriate and the categorisation of clusters meaningful, different numbers of clusters were also re-specified, and the analyses were rerun several times. Different clustering solutions were then compared to gain

insights into which variables were persistently and consistently the most common factors critical in the cluster formation process across all rounds of analysis. The correlation between variables was checked to verify that no serious multicollinearity problems emerged (see Table 4 for the correlation matrix). The final cluster analysis resulted in a 9-cluster solution, which is discussed in the following section.

Table 4: Correlation	ons d	of K	ey ∖	/aria	ble	s Us	ed i	in C	lust	er A	۱nal	ysis													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
(1) Market Orientation	1.00																								
(2) Entrepreneurial Orientation	.405	1.00																							
(3) Learning Orientation	.591	.234	1.00																						
(4) Overall PEU	0.09	.122	.096	1.00																					
(5) PEU: Government and Policies	0.09	.100	0.05	.668	1.00																				
(6) PEU: Economy	.117	.131	.118	.708	.521	1.00																			
(7) PEU: Resources and Services	.097	.194	0.07	.763	.462	.391	1.00																		
(8) PEU: Product Market and Demand	0.04	0.06	0.06	.677	.246	.342	.430	1.00																	
(9) PEU: Competition	0.01	-0.01	0.06	.729	.264	.495	.382	.442	1.00																
(10) PEU: Technology	0.03	0.05	0.06	.749	.397	.360	.536	.546	.441	1.00															
(11) Network Size	0.05	.121	0.05	106	-0.03	-0.03	-0.04	-0.08	189	-0.06	1.00														
(12) Network Exchange	.440	.434	.420	.124	0.04	.177	.168	0.08	0.06	0.00	0.03	1.00													
(13) Engagement in marketing activities	.338	.369	.239	.189	.182	.236	.105	.106	.141	0.05	0.08	.501	1.00												
(14) Changes in marketing activities	.318	.447	.180	.273	.211	.262	.231	.251	.136	.102	0.09	.424	.671	1.00											
(15) Performance	.458	.497	.388	.133	.113	.137	.183	0.07	-0.01	0.09	-0.02	.499	.325	.387	1.00										
(16) Industry Experience	133	-0.06	226	0.03	0.08	0.05	0.05	-0.03	-0.04	0.01	0.01	138	120	-0.08	183	1.00									
(17) Business Experience	0.03	0.05	-0.05	0.04	0.07	0.08	0.03	-0.01	-0.03	0.05	.128	126	-0.08	0.08	-0.07	.299	1.00								
(18) Number of hotel rooms	0.00	0.06	0.00	.107	.175	.102	0.00	0.06	0.01	.162	.157	0.01	.245	.146	-0.01	.176	-0.07	1.00							
(19) Age of mangers/owners	-0.05	-0.04	144	-0.01	0.07	-0.01	0.03	-0.02	127"	0.03	0.05	173	248"	140	157	.593	.498	-0.05	1.00						
(20) Growth aspirations	112	-0.07	0.00	.122	.160	0.08	0.04	0.06	.138	0.02	-0.03	113	0.04	0.02	270	0.06	0.03	0.03	-0.05	1.00					
(21) Hotel Age	178	187	171	-0.03	0.00	-0.05	0.03	-0.06	-0.05	0.01	.097	197	229	211	304	.364	.162	.107	.246	0.07	1.00				
(22) Education	0.04	0.07	0.02	160**	101*	100*	118*	112*	.154**	-0.09	.170**	-0.08	110*	-0.02	0.00	135**	0.04	0.08	-0.04	-0.05	0.06	1.00			
(23) Initial Investment	0.08	0.00	0.02	.110*	0.06	.107*	0.02	0.07	.125**	.097*	0.03	.106*	.251**	.191**	-0.01	0.04	.157**	.415**	150**	0.02	-0.07	095*	1.00		
(24) Gender	0.03	-0.05	0.09	-0.04	0.01	-0.04	0.00	-0.09	0.00	-0.08	-0.08	.098*	0.05	-0.03	0.01	155**	.147**	-0.09	174**	-0.02	0.04	0.02	-0.03	1.00	
(25) Owner/Non-owner Managers	114*	-0.06	-0.07	-0.01	0.04	-0.04	0.00	-0.07	0.03	-0.02	-0.09	0.04	.160**	0.00	-0.05	0.02	.381**	.218**	305**	.134**	0.04	-0.01	.161**	.173**	1.0
(26) Hotel Size	.137**	.130*	0.01	0.09	.163**	.113*	0.08	0.02	-0.02	0.08	.174**	.144**	.285**	.241**	.107*	.208**	-0.07	.604**	-0.09	0.02	-0.09	.103*	.559**	-0.05	.234'
* Significance at 0.05 level ** Significance	re at 0.01	level																							

* Significance at 0.05 level ** Significance at 0.01 level

CLUSTER 1 (N = 57) : Micro hotels	CLUSTER 2 (N = 49) :Small young hotels managed by young managers	CLUSTER 3 (N = 75) : Small hotels managed by well educated male owners
Small network size	Smallest network size	A lot of experience running businesses
 Below average MKT and CHNG 	Little industry and business experiences	 Relatively young hotels
 Average MO, LO, EO, and PEU 	Average MO, LO, EO, and PEU	 Average MO, LO, EO, and PEU
Low industry experience		Large network size
CLUSTER 4 (N= 21) : Large-sized old hotels managed by highly experienced managers	CLUSTER 5 (N = 40) : Poor-performing old small hotels managed by female managers	CLUSTER 6 (N = 16) : Good-performing old small hotels managed by female managers
Male managers	Low EO, LO, and MO	High EO and MO
 Biggest network size 	Low PEU	High PEU
High EO and MO	Below average MKT and CHANGE	 Above average MKT and CHANGE
•Above average MKT and CHNG	High industry but low business experience	High industry and business experiences Relatively high network exchange
CLUSTER 7 (N = 60) : Medium-sized hotels	CLUSTER 8 (N = 23) : Large-sized hotels managed by male managers	CLUSTER 9 (N = 28) : Large-sized new hotels managed by female managers
Well-educated managers	High PEU	Low PEU
•Large network size	Relatively young managers	 Relatively young managers
 A lot of industry experience 	High growth aspirations	 Low growth aspirations
	 High industry but low business experience 	 Low business and industry experiences
	High MKT and CHNG	 High NETXC, NETSZ, MKT, and CHNG

Note: MO = Market Orientation, EO = Entrepreneurial Orientation, LO = Learning Orientation, GA = Growth Aspirations, PEU = Perceived Environmental Uncertainty, NETSZ = Network Size; NETXC = Network Exchange, MKT = Level of Engagement in Marketing Activities; CHNG = Level of Changes Made to Marketing Strategies

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p40-58 inter-Charnsid.indd 46

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1/18/2561 BE 15:15

Table 6: A Comparison of Research Variables across Clusters

	Cluster 1	Cluster 2	Cluster 3	Cluster 4	Cluster5	Cluster 6	Cluster 7	Cluster 8	Cluster 9	Global Mean	S.D. N =
	N= 57	N= 49	N= 75	N= 21	N= 40	N= 16	N= 60	N= 23	N= 28	N= 369	369
Market Orientation	42.72	44.86	45.13	49.10	39.25	50.19	44.60	44.52	46.36	44.50	7.44
Entrepreneurial orientation	29.86	31.45	31.43	36.38	25.33	40.19	33.85	30.83	34.89	31.81	9.78
Learning orientation	23.51	23.65	22.89	23.57	20.48	24.75	23.30	22.57	23.14	23.01	4.49
Overall PEU	115.02	111.41	117.39	114.57	90.65	184.38	121.60	161.78	98.11	118.06	32.79
PEUGovernment and Policies	19.28	18.86	22.03	21.76	16.95	30.50	23.98	30.09	17.04	21.43	7.66
PEUEconomy	18.56	16.12	18.39	18.86	16.15	25.94	19.72	24.61	16.75	18.70	6.41
PEUResources and services used by your firm	20.42	20.98	21.32	20.48	14.68	38.31	22.68	28.43	18.43	21.55	8.89
PEUProduct market and demand	15.30	13.82	15.60	13.14	10.65	27.38	14.88	21.57	12.82	15.20	6.41
PEUcompetition	26.95	29.41	25.49	25.62	22.58	38.50	26.23	33.57	22.00	26.85	9.48
PEUtechnology	14.51	12.22	14.56	14.71	9.65	23.75	14.10	23.52	11.07	14.34	6.83
Network size	0.82	0.51	1.17	3.10	0.83	0.56	1.28	1.17	1.54	1.12	1.92
Network exchange	34.98	40.31	36.13	38.71	34.23	47.19	37.95	39.96	40.71	37.81	9.64
Extent to which firms engage in marketing activities	54.16	61.24	57.29	68.62	51.28	69.25	60.17	74.00	68.82	60.23	17.22
Changes in marketing activities	30.79	34.73	33.85	38.81	25.43	46.00	35.10	40.04	39.64	34.42	10.34
Performance	31.91	36.37	33.84	33.81	30.30	40.81	36.55	35.48	36.93	34.57	10.26
Growth Aspirations	3.65	4.39	4.04	4.38	4.38	4.56	3.78	5.17	2.96	4.05	1.90
Firm Age	16.20	11.98	12.90	20.43	19.66	16.44	13.85	14.17	10.46	14.65	8.88
Age of managers/owners	45.14	33.43	46.65	49.00	44.28	44.38	42.47	42.30	36.57	42.72	10.37
Industry Experience	10.58	5.37	11.46	19.16	16.35	13.97	14.46	16.41	10.43	12.31	8.31
Business Experience	9.99	4.14	15.69	19.47	6.20	12.55	9.99	0.91	6.65	9.79	9.33
No. of rooms	29.47	58.08	54.27	211.19	46.95	89.44	119.97	210.17	185.21	90.94	96.62

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*Significant at p <.05, ** Significant at p< .001

FINDINGS

The cluster analysis yielded nine meaningful hotel clusters. A brief description for each of the clusters, along with the mean scores for the variables of each cluster, global mean, and standard deviation, are presented in Tables 5 and 6. The detailed descriptions for each of the clusters are discussed below.

Cluster 1: Micro-sized hotels managed by owners (N = 57)

This cluster consisted of relatively old micro-sized hotels with no more than ten employees and the fewest number of rooms. The common business registration of hotels in this cluster was sole proprietorship. Approximately 40% of managers in this cluster did not have a college education and they possessed little industry experience. The hotels in this cluster also had a relatively low level of initial investment (i.e., less than 50 million baht). These hotels possessed average levels of PEU, MO, EO, and LO, and they appeared to be less involved and made fewer changes concerning marketing activities. Their network size was also relatively small.

Cluster 2: Small hotels managed by young managers (N = 49)

Cluster 2 was dominated by small hotels managed by non-owner managers. These hotels' initial investment was in the 151 to 200-million baht range, which is considered high given their size. The most common type of business registration was Limited Liability Corporation (53.06%), followed by sole proprietorship (28.57%). The majority of hired managers (85.71%) held a bachelor's degree. These managers were relatively young, with an average age of 33.43 years, compared to the overall average age of 42.72 years, and thus had relatively little business and industry experience. The hotels in this cluster also had the smallest network size and they had average MO, LO, EO, and PEU.

VOLUME 6 NO. 2 JULY - DECEMBER 2017



Cluster 3: Small young hotels managed by well-educated male owners (N = 75)

Hotels in Cluster 3 were those managed by male owners with a relatively high level of education, business experience, and network size. The most common forms of business registration included partnership (50.67%) and corporation (44%). These hotels were young and consisted primarily of small hotels (93.33%) with an initial investment of less than 50 million baht. The owners who managed these hotels tended to be older than the overall average age of hotel managers. The hotels in this group had average MO, LO, EO and PEU.

Cluster 4: Large old hotels (N=21)

This group of hotels consisted of well-established large hotels (76.19%) managed by male owners/ managers who had a relatively high level of education and above-average level of industry and business experience. Approximately 72% of the hotel owners/managers held a bachelor's degree or higher. The majority of these hotels (62%) initially invested more than 200 million baht. Their MO and EO were relatively high and they participated extensively in network exchange activities and had the largest average network size. Comparatively, they had an above-average level of engagement in marketing activities, and degree of changes made to their marketing strategies.

Cluster 5: Poor-performing small hotels managed by female hotel managers (N = 40)

All of the hotels in this cluster were small hotels that initially invested less than 50 million baht. The number of employees in these hotels ranged from 11 to 50 people. The majority of the hotels in this group (55% percent) were located in the central region of the country. All hotels were managed by hired, highly educated professional managers who had a lot of industry experience, but little business experience. The important characteristics of the hotels in this group were that they had the lowest scores on MO, LO, EO, PEU, the extent to which they engaged in marketing activities, network exchange, and organisational performance.

Cluster 6: Well-performing small hotels managed by female owners/managers (N = 16)

The majority of hotels in this group (approximately 70%) were managed by female managers/owners, all of whom had a university education. The notable characteristics of the hotels in this cluster are that they had the highest level of MO, EO, LO, all dimensions of PEU, network exchange, changes made to their marketing activities, and organisational performance. The common form of business registration of these hotels was sole proprietorship. Compared to other clusters, this cluster had a high level of growth aspirations and the extent to which they were involved and make changes to their marketing activities. The managers had also acquired plenty of business and industry experience.

Cluster 7: Medium-sized hotels (N = 60)

The unique feature of the hotels in this cluster lay in the fact that all of them were medium-sized hotels. They were mostly managed by owners/managers who held at least a bachelor's degree. Hotels in this group tended to register themselves as corporations (65%) or sole



p40-58 inter-Charnsid.indd 48

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1/18/2561 BE 15:15

proprietorships (25%). The hotels in this cluster had a large network size and the managers have extensive industry experience. These hotels had average MO, LO, EO, and PEU.

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Cluster 8: Large hotels managed by young male managers (N = 23)

Ninety-five percent of the hotels in this cluster were large hotels, which, in most cases, were managed by male managers. Most of the hotels were located in northern Thailand. The level of initial investment of the hotels in this group was more than 200 million baht. They have the highest scores on the level of growth aspirations and the degree of engagement in marketing activities. Mangers in this group had a relatively high level of industry but low business experience. They also usually perceived the market environments as being highly uncertain. These hotels engaged and made changes extensively in a wide-range of marketing activities.

Cluster 9: Large hotels managed by young female managers (N = 28)

All hotels in this cluster were high-performing large hotels with more than 100 full- time employees and an initial investment of more than 200 million baht. These hotels were relatively new and managed by female managers with little business and industry experience. Of note are their level of growth aspirations and hotel age, which were the lowest among all clusters. These hotels perceived business environments as being less uncertain and engaged substantially in their marketing activities. They also possessed an above-average network size.

Some of the clusters revealed a sharp contrast to other clusters in terms of their EM and

demographic characteristics. For example, the hotels in Clusters 5 and 6, both of which were small hotels managed by female managers, differed substantially from one another in their strategic orientations and manager characteristics. Although the hotels in Cluster 5 were managed by professional (non-owner) managers who had a relatively high level of experience in the hotel industry, but little experience running a business, the hotels in Cluster 6 were managed by both owner and non-owner managers who had average industry experience but much more business experience compared to those in Cluster 5. Furthermore, the hotels in Cluster 5 had low scores on MO, EO, LO, PEU, level of engagement in marketing strategies, and performance, whereas the hotels in Cluster 6 achieved the highest scores on most of these dimensions.

The large hotels in Clusters 8 and 9 also differed significantly from one another. Whereas the hotels in Cluster 8 were managed by male managers with high growth aspirations, the hotels in Cluster 9 were managed predominantly by female managers with comparatively low growth aspirations. In addition, while the large hotels in Cluster 9 perceived the business environments as being less uncertain and engaged in considerably more network exchange activities, the large hotels in Cluster 8 perceived the environments as being highly uncertain and participated only moderately in network exchange activities.

The findings from the cluster analysis seem to suggest that the nine clusters differ from one another based on a few demographic attributes. Based on the confidence interval and the Bonferroni statistics, three underlying factors that dominated the cluster formation were: gender, hotel size, and

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Table 7: Additional Observations

Gender

• Male managers tended to have more experience running businesses compared to their female counterparts; however, female managers are more likely to possess more industry experience than their male counterparts.

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• On average, hotels managed by female managers perform better.

• Sole proprietorship and corporation are the two most common business registrations in the Thai hotel industry; however, numerous small hotels managed by male managers appeared to register their hotel business as partnerships.

• Hotels in both male and female-dominated clusters with higher levels of overall PEU are more likely to achieve better organisational performance.

Hotel Size

• On average, large hotels are found to be more market, entrepreneurial, and learning-oriented than hotels of smaller sizes.

• Large hotels rarely register their business as a partnership; rather they register their business as either a corporation or sole proprietorship.

• Large hotels, managed by male managers (i.e., Cluster 8), differ from those managed by female managers (i.e., Cluster 9) in that the former possesses the highest level of growth aspirations while the opposite holds true for the latter. Furthermore, large hotels, managed by female managers, have a higher level of MO and EO compared to those hotels managed by their male counterparts.

• Large hotels, on average, make more changes to their marketing strategies than smaller hotels.

• Large hotels, in general, perceive the business environments as being more certain than smaller hotels. Types of Manager (Owner vs. Non-owner)

• Owner-managers, on average, have more prior experience running a business but less experience working in the hotel industry compared to their non-owner counterparts.

• In terms of marketing activities, non-owner managers are more likely to engage in a wide variety of marketing activities relative to owner-managers. They are also more likely to have made changes to their marketing strategies in the past few years.

• Based on the cluster analysis, owner and non-owner mangers do not to differ substantially from one another with regard to their market, entrepreneurial, and learning-orientations or their network size and networking activities.

Other Demographic Characteristics

• Well-educated managers (e.g., those in Clusters 3, 4, and 7) appear to have much larger networks than those with relatively less formal education.

• With regard to hotel age, older hotels were more likely to participate in more network exchange activities and achieve better performance than newer hotels.

• In terms of manager's age, older managers appear to have higher scores on various EM variables, such as MO, EO, PEU, and network size compared to younger managers. However, younger managers participate more in network exchange activities and achieve better hotel performance.



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type of manager. Other demographic characteristics of the hotel and hotel managers, such as education, manager's age, etc., also appeared to play a secondary role in the way in which the clusters were formed.

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Gender: The distribution of gender in all clusters indicated that Clusters 5, 6, and 9 were dominated by female managers; whereas, Clusters 3, 4, and 8 were dominated by male managers. Within the female-dominated clusters, each cluster possessed its own unique attributes that set it apart from another. For instance, the hotels in Cluster 5 had the highest level of EO, MO, and performance, yet the opposite was true for the hotels in Cluster 6. Moreover, female managers in Cluster 6 had a relatively high level of growth aspirations, whereas female managers in Cluster 9 had the lowest growth aspirations. Several other noticeable differences between and within clusters dominated by male or female managers are summarised in Table 7.

Hotel Size: Most of the hotels in Clusters 2, 3, 5, and 6 were small, while the hotels in Clusters 4, 8, and 9 were large. Cluster 7 was the only cluster that was dominated by medium- sized hotels, while Cluster 1 was predominantly dominated by micro-sized hotels that have no more than 10 full-time employees. Evidence showed that hotels of different sizes portray different characteristics, especially in terms of performance and marketing strategies. Some of the major observations regarding hotel size are summarised in Table 7.

Types of Manager: Two types of managers were distinguished in this study; those who owned and managed their hotels themselves (owner managers), and professional hotel managers hired to manage the hotels on the owner's behalf (non-owner managers). In this study, the majority

of hotels in Clusters 2, 5, 8, and 9 were managed by non-owner managers, while those in Clusters 1 and 3 were managed by owner managers. Hotels in the remaining clusters were managed rather equally between owner managers and non-owner managers. The clustering results suggest that hotels managed by owner managers and those managed by non- owner managers differ mainly from each other primarily as it relates to MO, LO, and PEU. Some of the key observations are presented in Table 7.

Other Demographic Attributes: The clustering results also indicated that there are some other factors that may play a critical secondary role in determining how the clusters in this study were formed. Noteworthy factors include level of education, hotel's age, and manager's age.

According to the clustering results, welleducated managers (e.g., those in Clusters 3, 4, and 7) and younger managers (e.g., those in Clusters 2 and 9) differed significantly from those who had less education mainly as it relates to networking activities. In the same fashion, older hotels (e.g., Clusters 4 and 5) behaved differently with respect to approach to marketing and networking activities when compared to newer hotels, such as those in Clusters 2 and 9.

Younger managers were found to participate more in networking activities and usually achieve better organisational performance when compared to older managers.

DISCUSSIONS, IMPLICATIONS, AND CONCLUSIONS

This paper provided an empirical classification scheme of hotels in Thailand based on a wide array of EM and demographic variables. Through

VOLUME 6 NO. 2 JULY - DECEMBER 2017

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two-step cluster analysis, nine hotel clusters were identified and three variables —hotel size, types of manager, and gender— appeared to dominate how the clusters were formed.

Hotel size was found to be associated with variables such as MO, EO, LO and the level of changes made to marketing activities. Larger hotels are more likely to have higher strategic orientation scores and to become more involved in a wider range of marketing activities when compared to smaller hotels. This may imply that, in general, large hotels may have more resources that allow them to get involved in a wider range of marketing activities that are more entrepreneurially marketoriented. Since small hotels do not have the same amount of resources at their disposal, they can still work harder and allocate their resources in a more effective and creative way in order to achieve the same level of EM orientation as their larger counterparts. The evidence also implies that larger hotels can potentially benefit more from economies of scale and economies of scope in marketing, and that the resource-based view plays a relatively critical role in explaining the EM characteristics in the hotel industry.

Regarding gender, male managers appeared to have more experience starting and running businesses compared to their female counterparts; however, female managers tended to have more experience working in the hotel industry than male managers. The evidence seemed to imply that women tended to face more obstacles to entrepreneurship and find it more difficult to start a new business than men. Removing these obstacles for women might increase the number of their business start-ups, and improve the overall performance of the industry since female managers in this study were found to outperform male managers in terms of organisational performance. In addition, large hotels, managed by female managers, tended to have higher scores on MO, EO, and LO when compared to large hotels managed by male managers. Future studies should investigate whether these findings will still hold true in other industry contexts, such as manufacturing, particularly when the contexts under investigation are not in the female-dominated industries. The comparison of the types of strategy formulated and implemented by male and female managers would also provide more insightful findings that will contribute to the female entrepreneurship literature.

In respect to the types of manager, one puzzling finding of this study is that non-owner managers surprisingly engaged in a wider breadth of marketing activities and made more changes to their marketing strategies than owner managers. It might be that owner managers' personal assets are more at stake when they participate in a greater breadth of marketing activities to grow their business. Their decision is directly intertwined with the individual's financial situation, and they will, therefore, need to be more careful in their strategies as compared to non-owner managers. In addition, relative to non-owner managers, owner managers might have less time to focus on marketing activities since they may also have to commit their time to other business-related activities. The rationale for this difference and the types of marketing activities that each group prefers to use should also be addressed in future research.

Secondary factors that determine the way in which the clusters are formed include level of education, hotel's age, and manager's age.



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1/18/2561 BE 15:15

Education is related to variables such as network size. Future research should explore in greater depth whether managers who spend more time in school tend to have a bigger personal network that would later become useful to their business start-ups. A hotel's age was found to influence the levels of network exchange and organisational performance. Older hotels tend to participate less in network exchange activities and, on average, achieve poorer organisational performance. Future investigation should explore the rationale for the drop in the level of network exchange as organisations mature. Finally, the manager's age could be positively related to his/her level of MO, EO, PEU, and organisational performance. Unlike what is noted in the existing literature —that there are negative relationships between manager's age and participation in business growth and entrepreneurial activities (Gielnik et al., 2010; Levesque & Minniti, 2006)— the evidence in this study suggests, however, that these relationships might, on the other hand, be positive. As a result, future research should address these discrepancies by studying the relationships between EM characteristics and manager's age in detail as entrepreneurial characteristics might change throughout the manager's lifespan, and might not be suitable to present the results only in a linear fashion.

The evidence from the cluster analysis also had implications for human resource management. For example, if hotels intend to hire professional managers to run their business, they should take into account several characteristics, such as age, education, gender, and industry and business experience of the candidate. In this study, these characteristics assisted in explaining different orientations, marketing activities, perceived environmental uncertainty, and organisational performance. For instance, managers who have more experience running and owning a business were more likely to be more growth oriented than those with less business experience. These results do not suggest that managers of a certain profile are better than those of others. Managers with certain demographic characteristics might be more likely to portray certain qualities. However, organisations should always bear in mind that demographic characteristics are only a few among many factors that help to explain EM characteristics.

Despite the effort to minimise the bias associated with cluster analysis, one of the main limitations of this study is in the subjective and exploratory nature of cluster analysis. Cluster analysis has often been criticised for being arbitrary in the determination of the number of clusters, and how the cluster algorithms are operationalised (Punj & Stewart, 1983; Hair et al., 2010). In addition, future research should also consider extending the level of analysis beyond the individual hotel level (e.g. firm, industry, multi-level, etc.) (Davidsson & Wiklund, 2001).

By and large, this paper contributes to both the entrepreneurship and marketing literature. It explored the hotel demographic characteristics and their relationships with many important elements at the interface between marketing and entrepreneurship, a topic that has not yet been addressed sufficiently in the EM literature. It is interesting to find that the demographic characteristics of the hotel and hotel manager were dominant factors that critically explained the typology of hotels in Thailand in relation to the EM characteristics. To investigate the role of ۲

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demographic attributes associated with hotels and hotel managers more thoroughly, it is recommended that the relationships between these attributes and a wide range of key EM variables be explored and tested using other statistical techniques, such as multiple regression. The findings will provide important insights regarding which EM variables are best explained by which demographic characteristics, and to what extent.

On a final note, the findings of the cluster analysis presented in this study appear to suggest that more exploratory and empirical investigation is needed before a clear understanding of the variables affecting the marketing and entrepreneurship interface and useful EM theories and frameworks can be identified and further developed in order to achieve maximum usefulness. The behaviours of entrepreneurially market-oriented organisations and the way in which EM-oriented organisations approach their business will continue to be the topic of interest in EM research since EM characteristics have a strong potential to contribute considerably to organisations' enhanced performance and competitiveness.

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VOLUME 6 NO. 2 JULY - DECEMBER 2017



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VOLUME 6 NO. 2 JULY - DECEMBER 2017

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