



Strategic

Management of Small Hotel in the Digital Economy Age: A SWOT-Based Evaluation in Muang District, Chiang Mai Province

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Abstract

The purpose of this article was to examine the strategic management of small hotels in Muang District, Chiang Mai Province in the Digital Economy Age. The sample was two small hotels: Micasa Thaphae Hotel and Thapae Place, both located in high-tourism areas of Muang District. They were selected by purposive sampling based on their recent reopening and new ownership in 2024. The instrument for collecting data was a focus group discussion guideline. Data was collected from eight key informants in each hotel, including the General Manager/Owner, Front Office Manager, Food and Beverage Manager, Housekeeping Manager, Receptionist, Security Guard, Sales and Marketing Staff, and Front Desk Agency Representative. Data were analyzed using descriptive approach and content analysis.

The research results were found as follows: 1) Internal strengths included strategic location, personalized service, and flexible management, while internal weaknesses were limited digital infrastructure and structural rigidity. 2) External opportunities consisted of digital marketing channels and growing tourism demand, whereas threats included increasing competition and changing customer expectations. 3) Strategic directions from the TOWS matrix included: Aggressive strategies: enhancing digital marketing and niche targeting, Development strategies: partnerships with external stakeholders, Defensive strategies: improving service stability and risk management, and Survival strategies: accelerating digital transformation and organizational adaptability. The findings contribute to practical implications for small hotel operators and strategic planning in Muang District, Chiang Mai Province.

Keywords: Small Hotel, Strategic Management, Digital Economy, SWOT Analysis, TOWS Matrix

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Introduction

Tourism has long been a crucial sector that supports Thailand's national economic growth, contributing significantly to GDP and employment. According to the World Travel and Tourism Council (2023), the tourism and hospitality business contributes more than 19.4% of the country's GDP, demonstrating its critical significance in national economic performance. Within this backdrop, Chiang Mai a city known for its rich cultural heritage and natural landscapes, has developed as a popular destination for both domestic and foreign visitors. A significant component of the city's tourism infrastructure is made up of small-scale lodging enterprises such as boutique hotels, guesthouses, and bed and breakfasts that provide distinctive, individualized services geared to cultural tourism needs (Wongsuchat and Ngamyang, 2022).

However, the competitive landscape of the hospitality industry is changing dramatically in the Digital Economy Age. This era, fueled by the expansion of digital technologies such as artificial intelligence, big data, and mobile applications, is reshaping how value is created and delivered across industries. Small hotels, despite their potential to provide high-value specialized experiences, frequently face restricted access to cash, technological competence, and data-driven decision-making tools required to compete effectively. Furthermore, the rise of "Prosumer 4.0" digitally literate, empowered, and highly engaged consumers requires a paradigm shift in how hospitality operators approach service design and guest engagement. Prosumer 4.0 refers to a new generation of proactive consumers who are not only adept at using digital tools but also actively shape the service experience by generating content, providing real-time feedback, co-creating value, and influencing brand perception through online platforms. This shift compels hospitality businesses to transition from one-way service delivery models to more interactive, personalized, and participatory approaches that meet the evolving expectations of digitally connected guests (Schwab, 2017).

Chiang Mai's small hotel industry is thus situated at the crossroads of cultural preservation, economic development, and digital innovation. While these establishments play an important role in supporting local livelihoods, enhancing destination authenticity, and promoting cultural sustainability, they are still extremely vulnerable to external shocks such as political unrest, natural disasters, and pandemics, all of which have historically disrupted Thailand's tourism industry (Temphairojana, 2023). As a result, adopting adaptive, resilient, and innovation-driven management methods is critical for maintaining long-term sustainability and growth.

Despite the strategic importance of small hotels in regional development, current literature has tended to focus on large-scale tourism infrastructure or generic technological adoption, with little emphasis on localized, context-specific strategic frameworks tailored to small businesses in the digital age (Law and Buhalis, 2008; Morrison, 2013). There is a significant void in empirical research into how these hotels might strategically position themselves to benefit from their inherent strengths while mitigating external threats (Getz and Petersen, 2005; Thomas et al., 2011). In this light, the SWOT analysis framework, which includes internal strengths and weaknesses as well as external opportunities and threats,

provides a powerful analytical lens for evaluating strategic alignment in this dynamic context (Gürel and Tat, 2017; Panagiotou, 2003).

This study will therefore conduct a systematic SWOT analysis of small hotels in Muang District, Chiang Mai Province, with the goal of evaluating current management strategies and identifying pathways for improving operational efficiency, market competitiveness, and sustainability in the context of the Digital Economy Age. The findings will contribute to the theoretical debate on strategic management in tourism, as well as provide practical insights for hotel operators, governments, and stakeholders involved in the long-term growth of Thailand's regional hospitality sectors.

Objectives of study

To management strategies of small hotels in Muang District, Chiang Mai Province within the context of the Digital Economy Age through the application of a SWOT analysis framework.

Literature Review

For this study, titled "A Strategic Analysis of Small Hotel Management in the Digital Economy Age: A SWOT-Based Evaluation in Muang District, Chiang Mai Province," the researcher has explored the following conceptual frameworks: Strategic Management Concepts and Theories Related to Hotel Management, and Concepts and Theories Related to Service Quality.

Strategic Management Concept

Strategic management is widely recognized as the integration of both art and science in planning, executing, and evaluating organizational decisions to achieve long-term goals. According to David (2011), strategic management involves a comprehensive process that encompasses cross-functional decisions aimed at aligning an organization's vision and mission with its objectives. Wheelen and Hunger (2015) further emphasizes that it is a sequence of managerial decisions guiding the direction of an organization's sustained performance. This process consists of three critical stages: strategy formulation, implementation, and evaluation. Strategy formulation involves setting the vision and mission, identifying internal strengths and weaknesses, external opportunities and threats, and selecting the most appropriate strategy. Strategy implementation then translates these plans into actions through goal setting, resource allocation, and employee motivation. Finally, strategy evaluation allows organizations to monitor performance and make necessary adjustments to ensure strategic objectives are met (David, 2011).

Beyond these stages, effective strategic management requires continuous analysis of internal and external environments to adapt to dynamic market conditions. Analytical tools such as SWOT analysis, PESTEL analysis, and Porter's Five Forces are essential for understanding an organization's strategic position and anticipating changes in the competitive landscape, technology, and customer preferences (Rothaermel, 2021). This ongoing environmental scanning supports the alignment of resources and capabilities with emerging opportunities and threats, ultimately helping organizations to develop sustainable competitive

advantages. The internal and external contexts of a firm significantly influence its strategy, which, when successfully executed, leads to enhanced organizational performance and competitiveness (Shujahat et al., 2017).

SWOT Analysis

SWOT, which stands for strengths, weaknesses, opportunities, and threats, is a very commonly utilized analytical tool in strategic management. The SWOT matrix has gained popularity as a useful tool for environment management strategy planning. This assessment helps managers formulate competitive strategies in the company's business environment (Kajanuset al., 2012, as cited in Benzaghta et al., 2021). In strategic business planning, SWOT analysis is an important step that must be accomplished along with the creation of the company's business plan (Simoneaux and Stroud, 2011). SWOT has become a popular tool among marketing practitioners and researchers and is often used in education especially for management students as an evaluation and strategic planning tool and in broader applications, as the tool is used to evaluate complex decision-making options and scenarios (Helms & Nixon, 2010).

The main purpose of SWOT analysis is to summarize the internal and external factors faced by the organization or company, determine the risks and problems that need to be solved, and design a business strategy that can increase competitiveness (M Fitriwati et al., 2023). In the scope of business management, especially strategic planning, the grouping of internal and external issues is a starting point that is often used before proceeding to the next stage (Helms and Nixon, 2010). As: 1) Internal Factors Strengths and weaknesses are part of the SWOT Analysis that describes the internal conditions of a company or organization. Strengths include those attributes that can have a positive impact on the company now or in the future. On the other hand, weaknesses refer to areas of concern that, if not improved, could put the company at a competitive disadvantage (Simoneaux and Stroud, 2011). The goal of internal evaluation is to assess an organization's operational capacity and performance (Zulkarnain et al., 2018). 2) External Factors Opportunities and threats are parts of the SWOT Analysis that describe the external conditions of a company or organization. Opportunities generally include areas where the company can expand or increase profitability and efficiency. Threats are usually external forces that can create pressure or result in a significant decline in the company's overall performance (Simoneaux and Stroud, 2011). The kind of product created, the features of the market positioning and segmentation strategy, the kind of services provided, and the business decisions they wish to buy or sell are all influenced by external factors (Zulkarnain et al., 2018).

TOWS Matrix

The SWOT analysis paradigm is expanded upon by TOWS analysis, which lists the advantages, disadvantages, opportunities, and threats. Nevertheless, it looks for alignments between opportunities and strengths and threats and weaknesses (Maity et al., 2024). By identifying internal and external components and choosing the optimal fit strategy to establish the best alignment between the factors, this technique offers a systematic analytical tool. This matrix is a crucial matching tool that aids managers in creating four different kinds of plans:

Strategies labeled Strengths-Opportunities (SO), Weaknesses-Opportunities (WO), Strengths-Threats (ST), and Weaknesses-Threats (WT) (David, 2011).

The four strategies generated by the TOWS Matrix have different types of strategies depending on what factors are matched. As explained by Maity et al. (2024):

1. SO Strategies: Utilize the inherent strengths to take advantage of outside chances.
2. WO Strategies: aim to make use of outside opportunities to fix internal inadequacies.
3. ST Strategies: make use of those advantages to ward off or reduce the impact of outside dangers.
4. WT Strategies: defensive techniques to mitigate weaknesses within and avert threats from outside.

Concepts and Theories Related to Service Quality

Service quality is critically important in providing a competitive advantage to a company, as it is influential on various factors such as customer satisfaction (Amin and Zahora, 2013), loyalty (Kim et al., 2013; Prentice, 2013), intentions (Hooper et al., 2013; Srivastava and Sharma, 2013) and value perceptions (Wu, 2013).

Many researchers define different perceptions of service quality. (Berry and Zeithaml, 1988) identified service quality as the comparison of a customer's specific expectations or requests regarding service with the performance after use of that service. Parasuraman et al. (1994) identified service quality as the perception of the customer after the act of purchasing. (Zeithaml and Bitner, 2000) identified quality of service as the long-term cognitive evaluation of business service offerings by customers.

Previous research on service quality (Dong and Jeong, 2007) shows how firms or companies can enhance their service quality to increase customer satisfaction and financial performance. He also develops factors (Employees, perceived service quality, customer, and financial performance) that critical success of service industry. He develops valid and reliable instruments to measure customer satisfaction and structural equation modeling to test hypotheses.

Quality service from (Dedeoğlu and Demirer, 2015) explained that studies in service quality generally attempted to determine the service quality perception level of customer by mainly focusing on customer quality evaluations. He also realizes that the nature and characteristics of differences in service quality perceptions among customers, managers and employees. (Kang, 2006) explained service quality by empirically examining the conceptualization of technical and functional quality. By using structural equation modeling, we are utilized to examine empirically two component models of service quality.

From explained interactive service quality in service encounter between supplier and manufacture industry. In his research, the operationalization of the construct of interactive service quality in service encounters considered four elements and multi-item measure of service quality (reliability, responsiveness, assurance, empathy, and tangibles).

Concepts and Theories Related to Hotel

According to the Hotel Act B.E. 2478 (1935) of Thailand, Section 3 defines a "hotel" as any establishment that provides temporary accommodation to guests in exchange for payment. However, Section 25 of the same Act exempts residential properties that are used exclusively for long-term stays specifically, those rented for at least one continuous month and where the owner does not regularly provide food or beverage services to tenants or the public. This legal distinction clarifies that rental houses or residential accommodation offered on a monthly or yearly basis are not legally classified as hotels.

From these provisions, two key factors determine whether a property is considered a hotel under the law: the length of stay and the provision of food or beverage services. Properties rented for less than one month fall under the hotel classification, as do properties that provide regular food or beverage services regardless of stay duration. This legal framework helps distinguish between transient accommodation and long-term residential rentals, ensuring appropriate regulation for each.

The development of knowledge related to small and medium enterprises (SMEs) within the SME Knowledge Center Development Project (2014) highlights that the hotel industry comprises various accommodation types, classified by different criteria. These classifications can depend on factors such as location, guest demographics, management structure, and service levels. As a result, there is no universally fixed method for classifying accommodations, and hotels are often categorized to better suit specific operational or marketing goals.

Common hotel classification methods include size, such as the number of guest rooms, and target market segments. Examples of classifications by target market include commercial hotels catering to business travelers in urban areas, airport hotels serving transit passengers and airline personnel, suite hotels providing spacious accommodation for longer stays, residential hotels offering long-term lodging with limited services, and resort hotels focused on leisure and recreation in scenic locations. Other types include bed and breakfasts, condominium hotels, casino hotels, and conference centers, each designed to meet distinct guest needs and preferences within the hospitality industry.

Research Methodology

This research employs a qualitative research methodology in the form of focus group discussions, utilizing SWOT analysis and the TOWS matrix to achieve a strategic analysis of small hotel management in the digital economy age.

The key information

The key information of this study consists of 33 small hotel entrepreneurs located in Mueang District, Chiang Mai Province. These entrepreneurs operate lodging establishments with no more than 30 rooms and play a vital role in the local tourism and hospitality industry.

The key information of research method was employed to conduct an in-depth SWOT analysis and TOWS matrix evaluation of small hotel management strategies. From the total of 33 small hotels in Mueang District, two hotels were purposefully selected based on their recent reopening and new ownership in 2024. Both hotels are in high-tourism areas Thaphae Road

(a major tourist checkpoint) and the Chiang Mai Moat area. The selected hotels were: Micasa Thaphae and Thapae Place. To ensure comprehensive insights, the study involved key informants across multiple functional roles within each hotel. The participants included:

1) General Manager / Owner 2) Food and Beverage Manager 3) Front Office Manager 4) Housekeeping Manager 5) Receptionist 6) Security Guard 7) Sales and Marketing Staff 8) Front Desk Agency Representative. These informants provided valuable perspectives on internal strengths and weaknesses, as well as external opportunities and threats, which were used to develop strategic recommendations through the TOWS matrix. The focus on newly reopened hotels provided timely and relevant insights into current industry conditions and adaptive strategies in the post-pandemic and digital economy age.

Research Instrument

To analyze internal and external factors affecting small hotel operations using SWOT analysis and TOWS matrix, this study employed discussion sessions as the primary research instrument. This participatory approach was chosen to foster open focus group discussions, collective insight, and strategic thinking among key hotel staff. The discussion sessions were conducted at two small hotels: Micasa Thaphae and Thapae Place, both newly reopened in 2024 and located in high-tourism zones of Chiang Mai (Thaphae Road and the Chiang Mai Moat area). Participants were selected based on their operational roles and strategic responsibilities. Each session began with a brief explanation of the SWOT framework, followed by guided discussion activities to collaboratively identify: 1) Internal Strengths and Weaknesses, 2) External Opportunities and Threats. The insights gained from both hotels were then synthesized into combined strategic management directions based on the TOWS matrix, reflecting shared challenges and opportunities within the small hotel sector

Ideas were recorded on whiteboards or digital tools in real time, allowing participants to reflect, revise, and build on each other's insights. Once the SWOT components were finalized, the same participants worked together to develop TOWS matrix strategies, focusing on: 1) SO strategies 2) WO strategies 3) ST strategies 4) WT strategies

This method encouraged collaboration, ownership, and deeper analysis from those directly involved in daily hotel operations. The qualitative data collected from these sessions were analyzed thematically to form the basis of practical and context-specific strategic recommendations.

Data Gathering

Prior to data collection, formal coordination was initiated through an introduction letter issued by the International College, Maejo University, to seek cooperation from small hotel operators. A purposive sampling approach was used to select the two participating hotels, based on their strategic relevance and operational context. To analyze internal and external factors affecting small hotel operations using SWOT analysis and the TOWS matrix, this study employed structured discussion sessions as the primary research instrument. This participatory method was selected to facilitate open dialogue, encourage collaborative insights, and support strategic thinking among key hotel staff.

Throughout the data collection process, strong attention was given to ethical considerations and the protection of participants' rights. Participants were informed of their voluntary involvement and were assured of their right to withdraw at any point without penalty. Informed consent was obtained prior to each discussion session, including permission to record audio for research purposes. Participants were also given the opportunity to review and verify their information post-session to ensure accuracy and authenticity. To safeguard confidentiality, all participant data were anonymized using coding systems, and findings were presented in aggregate form. Emotional well-being and privacy were prioritized, with appropriate support provided in the event of participant discomfort during any part of the discussion.

Analysis of data

The study was analyzed using a descriptive analysis approach, following the framework of Miles and Huberman (1984), which includes three main stages: data reduction, data display, and conclusion drawing.

Data Reduction: Interview transcripts and field notes were reviewed repeatedly to develop a thorough understanding of the content. Typological analysis was employed to extract and categorize relevant sentences or phrases based on predefined interview themes. This step facilitated the identification of key insights and the elimination of redundant or unrelated information.

Data Display: The reduced data were then organized and presented descriptively in alignment with the study's objectives. This stage aimed to clearly visualize patterns, relationships, and thematic categories emerging from the qualitative data, supporting a more structured interpretation.

Conclusion Drawing: Finally, the researcher synthesized the findings through coding and thematic grouping. Statements were labeled with keywords and sorted into main themes and sub-themes. Using analytic induction, the researcher examined patterns, relationships, and variations to derive theoretical insights and generalizations, thereby linking empirical evidence with broader conceptual implications.

Results

Proposed Management Strategy for Small Hotels in Mueang District. The management approach for small hotels in the Mueang District of Chiang Mai Province was studied through focus group discussions with small hotel operators. The data collected from these group discussions was then analyzed in conjunction with two case study hotels: Micasa Thaphae and Thaphae Place Hotel, Chiang Mai. This analysis focused on the strategic operations of small hotel businesses and integrated SWOT analysis findings. The results of the study are as follows:

1. Strengths

Planning: 1) Strategic location near major tourist landmarks enhances digital visibility on online maps, booking platforms, and mobile travel apps. 2) Distinctive service positioning whether through boutique charm or value-driven accommodations helps target specific market segments in the digital age.

Organizing: 1) Flexible organizational structures in smaller properties allow quick adaptation to digital trends and guest needs. 2) Larger properties benefit from more extensive infrastructure, supporting scalable tech investments and diverse guest services.

2. Weaknesses

Organizing: 1) Limited financial and human resources in smaller operations can restrict digital upgrades, staff training, and IT system implementation. 2) In more traditional or hierarchical organizations, outdated processes and lack of agility hinder effective adoption of digital tools.

Commanding: 1) Absence of dedicated digital leadership or trained personnel in technology and data analytics reduces strategic capabilities. 2) Over-centralized decision-making slows innovation and reduces employee involvement in driving digital transformation. 3) A lack of digital vision from top management can lead to missed opportunities in customer engagement and online reputation building.

Controlling: 1) Lack of performance tracking tools such as CRM systems or review management software limits the ability to measure marketing ROI and guest satisfaction. 2) Inadequate control mechanisms for digital reviews, booking trends, and operational data can result in reactive rather than proactive management.

3. Opportunities

Planning: 1) Growth in cultural, eco, and digital tourism presents opportunities to attract tech-savvy travelers such as millennials and digital nomads. 2) Government-backed digital tourism initiatives and promotional campaigns offer pathways to support growth and increase direct bookings. 3) Expanding use of digital marketing, influencer collaborations, and online travel agencies (OTAs) opens new customer acquisition channels.

Coordinating: 1) Integrating digital tools such as property management systems (PMS), CRM platforms, and booking engines enhances coordination between departments and guest services. 2) Partnerships with OTAs, local tourism businesses, and digital influencers can amplify market reach and streamline customer communication. 3) Using automation (e.g., chatbots, mobile check-in) can optimize internal workflows and improve service efficiency.

4. Threats

Planning: 1) Rising competition from alternative accommodations and tech-enabled boutique hotels puts pressure on pricing and differentiation. 2) Shifting traveler expectations toward faster connectivity, mobile booking, and personalized services demand ongoing innovation. 3) Economic instability and global crises can quickly disrupt tourism flows, requiring agile digital planning.

Coordinating: 1) Poor coordination between digital platforms (e.g., website, OTAs, social media) can result in inconsistent branding or booking errors. 2) Limited collaboration across departments may cause gaps in data sharing, customer service follow-up, and promotional execution.

Controlling: 1) Negative online feedback can rapidly affect brand reputation if not addressed through timely review monitoring and response strategies. 2) Failure to track key

digital performance metrics such as conversion rates, cost per acquisition, and search visibility can undermine competitive positioning.

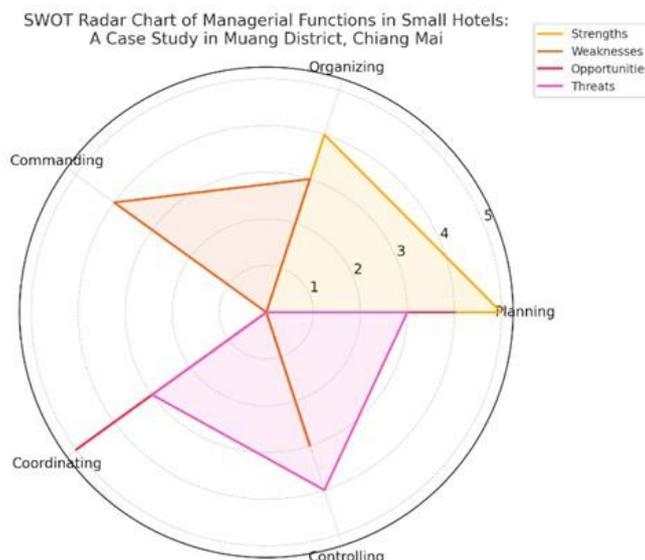


Figure 1 SWOT Radar Chart of Managerial Functions in Small Hotels: A Case Study in Muang District, Chiang Mai

After analyzing the management situation in small hotels in Muang Chiang Mai District, the researcher summarized the SWOT analysis and assessed the data in the Tows Matrix style, resulting in the presentation of strategies as follows:

SO Strategies: Leverage internal strengths to take advantage of opportunities

1. Use strong location and distinctive service identity to attract niche markets (e.g., digital nomads, cultural tourists) via digital campaigns.
2. Apply agile operations to implement CRM systems, cloud-based tools, and mobile booking systems quickly.
3. Capitalize on digital tourism programs to gain financial support and visibility.

WO Strategies: Overcome internal weaknesses by using external opportunities.

1. Invest in digital tools (CRM, PMS) with government grants or low-cost SaaS solutions.
2. Form strategic partnerships with OTAs and local influencers to compensate for limited marketing resources.
3. Upskill existing staff through online training programs focused on digital hospitality.

ST Strategies: Use strengths to minimize external threats.

1. Emphasize personalized service and authentic experiences to differentiate from Airbnb and mass-market competitors.
2. Maintain high guest satisfaction to build strong online reputation and defend against negative reviews.

3. Use operational agility to respond quickly to market disruptions and shifts in traveler behavior.

WT Strategies: Minimize both weaknesses and threats.

1. Restructure internal management to reduce dependency on centralized leadership.
2. Develop contingency plans and adopt flexible pricing strategies to manage economic volatility.
3. Implement guest feedback systems to improve service consistency and prevent online reputation risks.

Discussion

Hotels in the digital economy age must employ multidimensional strategic approaches to adapt and survive in a competitive and continuously changing environment. The SO (aggressive) approach proposes that hospitality organizations leverage their inherent strength's prime location, high-quality service, and organizational agility to proactively pursue niche markets such as digital nomads, cultural tourists, and eco-conscious travelers. These firms can boost their visibility and direct engagement with target segments by leveraging digital platforms and government-supported tourist campaigns. Saldanha et al. (2021), argue that by integrating internal capabilities with digital transformation, service providers can successfully grow their outreach and customize visitor experiences.

The WO (developmental) strategy focuses on transforming digital limitations into growth opportunities by leveraging external resources. Public funding initiatives, strategic collaborations with online travel agencies (OTAs), and staff digital training programs present accessible pathways for overcoming budgetary and human capital constraints. Empirical studies have shown that small and medium-sized hotels that adopt customer relationship management (CRM) systems and participate in digital capacity-building programs experience improved customer engagement and increased booking efficiency (Buhalis & Law, 2008). Furthermore, the utilization of third-party platforms allows resource-constrained hotels to benefit from shared infrastructure and broader market reach.

From a defensive standpoint, the ST strategy emphasizes the importance of leveraging brand identity and service personalization to differentiate from increasingly competitive alternatives, including short-term rentals like Airbnb. By reinforcing their core values and ensuring operational flexibility, hotels can better withstand competitive pressures and evolving guest expectations. Teece (2007) argues that organizations with strong dynamic capabilities such as rapid adaptation, reconfiguration of resources, and continuous innovation are better positioned to maintain a sustainable advantage in volatile markets. Hotels that integrate real-time feedback mechanisms and tailor services accordingly can significantly enhance guest satisfaction and brand loyalty.

Lastly, the WT (survival) strategy addresses internal inefficiencies and vulnerabilities by advocating for operational modernization and strategic diversification. This includes upgrading technological infrastructure, decentralizing decision-making processes, and implementing flexible pricing or service models to accommodate fluctuating demand and

economic uncertainty. Research by Sigala (2020) highlights that hospitality firms embracing digital transformation, even under resource constraints, demonstrated higher levels of resilience and recovery during crises such as the COVID-19 pandemic. By focusing on internal reform while anticipating external threats, hotels can position themselves not merely to survive but to evolve sustainably in a fast-changing global tourism ecosystem.

Conclusion

This study critically examined the management strategies of small hotels in Muang District, Chiang Mai, within the context of the Digital Economy Age using the SWOT analysis framework. The findings reveal that while these hotels benefit from strategic advantages such as location, personalized service, and operational flexibility, they also face significant internal limitations related to digital capability and structural rigidity. The TOWS matrix provided a systematic approach to transform internal weaknesses into strengths and leverage external opportunities to achieve competitive advantage.

Aggressive strategies emphasizing digital marketing and niche targeting, along with development-focused strategies that integrate external resources, offer a roadmap for sustainable growth. Defensive and survival strategies further highlight the importance of organizational adaptability and digital transformation in the face of increasing competition and economic uncertainty. Since the study was conducted on only 2 hotels, the results of the study can only present the development in Muang Chiang Mai District. If we add more samples with different types of study, the results of the study will be more widely applicable.

Future Research Directions

Future research should further explore the dynamic interplay between digital transformation and strategic management in small-scale hospitality enterprises, particularly in emerging tourism destinations like Chiang Mai.

First, longitudinal studies are recommended to examine the long-term impact of digital adoption such as CRM systems, cloud-based PMS, and AI-driven guest services—on hotel performance and customer satisfaction. These could provide deeper insights into the sustainability and scalability of digital strategies over time.

Second, comparative studies across different regions or countries could offer valuable cross-cultural perspectives on how small hotels respond to the digital economy in diverse policy, cultural, and infrastructural environments. This would help identify best practices and context-sensitive solutions for digital innovation.

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