

THE FEASIBILITY STUDY OF INVESTMENT OF BAAN MAI CHAI KHAO RESORT IN AMPHOE CHIANGDAO, CHIANGMAI PROVINCE

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Abstract

This study aims to study the feasibility of investment in Baanmai Chaikhao Resort in Amphoe Chiang Dao, Chiang Mai Province by analyzing four feasibility aspects including marketing, technique, management and financial. For marketing, study about general business environment, analyze strengths, weakness, opportunities and threats, analyze the competitive of the industry, and also analyze the marketing mix and promotion plan. The data collected from the questionnaires of 400 people. The findings were as follows. They need. The promotional discount and getting information via the internet. 48% of the subjects were interested in renting the room and 45.25% were not sure to visit the resort. The results for technique found that they focused on convenience of the rooms and car parks, affordable price and security were necessary. So Baanmai Chaikhao Resort would be fully equipped with facilities as needed by building a total of 12 rooms decorated with the Lanna culture design mixed with modern design. The management results found that the resort would be operated by only one owner with well-organized functional structure; each employee would be chosen by the resort owner himself. The results for financial found that. The total value of investment project was 12,026,100 bahts. The payback period (PB) was 6 years 1 months and 10 days. The value of net present value (NPV) was 2,472,456 bahts. The internal rate of return (IRR) was 9.523%. In conclusion, this project would be possible for investing.

Keyword: Investment, Feasibility study



Introduction

In present, travel industry has been growing rapidly. A lot of investors interested in this business, due to the fact that, Thailand will integrate with AEC in 2015. This is also a reason of why there will be more oversea tourists, and in addition to these, government has also promoted a campaign to subsidies tourist industry by “tax refund” for locals. So this business has great opportunity for development in future.

Objectives

To investigate feasibility study of BaanMai ChaiKhao Resort in Ampoe Chiangdao, Chiangmai Province by the studies on Marketing, Techniques, Management and Financing in Resort

Methodology

Collecting data by surveying needs of visitors at resort to set a norm to study by to giving them survey form. For the studies of each topic Marketing, Techniques, Management and Financing in Resort are as followed

Marketing selection of sample group by surveying in 4 part : [1]. General information such as gender, age, education background, [2]. Data relating to the selection of resort, [3]. Marketing factors that influence to the selection of resort, [4]. Interests in services at the resort.

Techniques Investigate in investment in technical structure in each topic which are location, size and area of project, building and construction in project, processing plans, flexibility of project and suitable constriction method.

Management studies the process in company management, study of company structure to understand management and job positions and selection of staffs (Job analysis) to meet the requirement of suitable works

Financing study the feasibility of investment whether or not it gives the desirable returns by considering from Payback Period, Net Present Value, Internal Rate of Return and Sensitivity Analysis.

Results

1. The Results of marketing

The results of marketing analysis found that. The data was collected from the questionnaires of 400 peoples was found. The mostly is female 59.8 percent, aged between 21-30 years 67.5 percent, the education background is Bachelor degree 75.00 percent, office worker 39.75 percent, an average income more than 30,000 bath 37.00 percent, and they are have Hometown in Chiangmai 54.5 percent.

The results of data relating to resorts selection of customers. The data was collected from the questionnaires of 400 peoples. The mostly 76.25 percent they were never stay at resort in ampoe Chingdao. 19.5 percent the customer think of the price is more important. 30.5 percent they are stay 1-3 nights for a trip. 29.00 percent they are have a holiday average 1-5

times per year. 13.5 percent their friends choose the resort to stay. 16.00 percent the mostly they get the news from the Internet. And 12.25 percent the accommodation rates is 501-1000 Baht per night.

The results of marketing mixes show that. The customers give priority for rooms decorations and price must be reasonable. For sale channels locations should easily accessible with transports. And for marketing scheme discounts and customer services are important. Services process should be simple and locations should have sufficient lighting for security.

The Results of PESTE Analysis was found that. The Political make a positive effect on business, because government has also promoted a campaign to subsidize tourist industry. The Economic make a positive effect on business, because Thailand will fully be part of ASEAN in 2015. This is also a reason of why there will be more overseas tourists. The Social and Culture make a positive effect on business, because Chiang Mai have many culture and wonderful festival so a lot of tourists interesting about it. The Technological make a positive effect on business, because in present technology is more important for everything so it will be helping them to get the news. The Ecological make a negative and positive effect on business. Because the weather, transportation and air pollution in summer in Chiang Mai as shown in Table 1.

The Results of Competitive Analysis was found that. Threat of new Entrance. Ampoe Chiang Dao is more natural and fresh weather. Those are reason for investors to be interested in resort business. Then the bargaining power of new competitors is the high level of violence. Intensity of competition. The economic of Chiang Mai Having grown up very quickly. That made the bargaining power of competing businesses is the high level because there are have a lot of tourists. Bargaining power of supplier. The furniture shop in Ampoe Chiang Dao and in Chiang Mai have so many shop. So the customers can choose the best thing and price for them. The bargaining power of supplier is the low level. Bargaining power of Buyers. From a survey of the project area around there show that. Chiang Dao have many resort was found nearby 11 resorts. That's giving the customers to make a choice about information to compare about accommodation and comfortable place. So The bargaining power of Buyers is the high level. Alternative products in resort was found in Chiang Dao is Homestay but it a bit different from the resort. So The bargaining power of Products or Services is a moderate level.

The Results of SWOT Analysis was found that. The strength of our business is rooms and facilities are

new and modern, A security system with cameras and security guards and room facilities make to accommodate tourists for all seasons of the year. The weaknesses of our business is resort is a new project so no more customers know about it. The opportunities of our business is The economic grown up very quickly. it's good opportunities to invest it. The threats of our business is it might be no more tourists in another seasons except winter seasons as shown in Table 2.



2. The Results of management.

A business will operated by a sole proprietor to make a decision and control business. The total of employees are 9 peoples. Consists of 1 manager, 3 receptionist, 2 housekeeper and 3 security guard.

3. The Results of technical

The room will make from wooden. The structure design concept to match the natural. But there are also modern of facilities. Total of house are 12 house and separate private house with balcony and private parking. The house is strong house made of plywood and durable thermal well.

4. The results of the financial

The total value of investment project was 12,026,100 baths, The payback period (PB) was 6 years 1 months and 10 days. The value of net present value (NPV) was 2,472,456 baths. The internal rate of return (IRR) was 9.523%

Conclusion and Suggestions

1. Conclusion

1.1 The results of marketing analysis found that. The data was collected from the questionnaires of 400 peoples was found. The mostly is female, aged between 21-30 years, the education background is Bachelor degree, office worker and an average income more than 30,000 bath. They are need the promotion discount and get information via the internet. If a construction project in the future on the part of the analysis. The general environmental is more important because the buyer have more power to get more information to compare the resort around there. So the resort have to give service mind send to the customers.

1.2 The results of technical analysis found that collect data and study the feasibility of building the resort. The plan Building are, small-size Building for 2 peoples 5 units, medium-size Building for 4-5 peoples 5 units and a family 2units. The structure design concept is wooden to match the natural. But there are also modern in terms of facilities. The project "Baan mai chai khao resort will build in Ampoe Chiangdao, Chiangmai Province.

1.3 The results of management analysis found that. The project has 1 owner. To decision to run fast business and uncomplicated. And then the resort will have 1 manager to controls all duty. However, the owner would have to check the correct again later. The company employs have 9 staffs. The manager have to operation and services of the resort, solve the problems. The reception have to take care when the customers check-in - check out and give some useful information for customers. The cleaning staff have to clean the room after customers check out from the resort. And the security have to do the safety around the resort.

1.4 The results of the financial analysis found that. The total value of investment project was 12,026,100 baths, The payback period (PB) was 6 years 1 months and 10 days. The

value of net present value (NPV) was 2,472,456 baths. The internal rate of return (IRR) was 9.523% . This project would be possibility for investment.

2. Suggestions

2.1 The study of possibility in market has to consider to change in economic and environment . In addition, the marketing plan has to be prepared in advance in order to compete with the changes. Also the analysis of more concierge services, such as swimming pool, Thai massage, Tents rental or bikes rental depending on the needs of costumers which varies on the time in future. Lately the expenditure that maybe increased have to be considered along the time to run the resort

2.2 Feasibility study of the project BaanMai ChaiKhao Resort is an estimate of future income-expenditure which after is opens, these information has to be recalculate according to real value so that the result can be adjust to present

2.3 The study survey of costumers' satisfaction of the service at the resort is required so there will be an improvement of service to meet costumers' satisfaction.

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Table 1 Results of PESTE Analysis

Factor	analysis results
Political	+
Economic	+
Social and Culture	+
Technological	+
Ecological	-/+

Note

- + is positive effect on business.
- /+ is negative and positive effect on business.
- is negative effect on business.

Table 2 The Results of SWOT Analysis

<p>Strength</p> <p>rooms and facilities are new and modern</p> <p>A security system with cameras and security guards</p> <p>room facilities to accommodate tourists for all seasons</p>	<p>Weaknesses</p> <p>A new project It is unknown yet</p> <p>The new investors and less experience</p>
<p>Opportunities</p> <p>The economic grown up very quickly.it's good opportunities to invest.</p>	<p>Threats</p> <p>No more tourists in another seasons except winter seasons.</p>