



**AN ANALYSIS OF ECONOMIC, LEGAL AND TECHNOLOGICAL
FACTORS AFFECTING HOTEL OCCUPANCY RATES IN
MANDALAY, MYANMAR**

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**The Independent Study Submitted In Partial Fulfillment Of The
Requirement For The Degree Of Master In Business Administration**

(International Program)

Siam University, Bangkok, Thailand

2017



GRADUATE SCHOOL OF BUSINESS, SIAM UNIVERSITY

Independences Study Title: An Analysis of Economic, Legal and Technological Factors Affecting Hotel Occupancy Rates in Mandalay, Myanmar

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Degree: Master of Business Administration

Major: International Business Management

This Independent Study has been approved to be partial fulfillment the requirements for the Degree of Master of Business Administration in International Business Management

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Dated: *12 July 2017*

ABSTRACT

Research Title : An Analysis of Economic, Legal and Technological Factors Affecting Hotel Occupancy Rates in Mandalay, Myanmar

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The objective of this study is to academically find out the correlations between economic factors and hotel occupancy rate, legal factors and hotel occupancy rates, and lastly technological factors and hotel occupancy rates, which are unfavorably causing the hotel and tourism industries not to grow in Mandalay, Myanmar. As all known that after undergoing historic political and economic changes in 2010, Myanmar, so called Burma became an apple of eyes for foreign investors, especially for the foreign visitors who had been in long waiting to see a forgotten country in several decades with plenty of untouched cultural and historical heritage zones like in Yangon, Bago, Shan State, Kachin State, Rakhine State, and especially Mandalay which is lifeblood of Myanmar national chronicles.

As a reciprocating of switching old fashions to modern systems in economic, legal and technological factors, Myanmar has highly potential in hospitality industry, but it is also extremely delicate in un-sequenced restyling. To bring those hypotheses to light, this academic work is

presented using the qualitative based tool supported by quantitative analysis with certain questionnaires to collect the data for this work. As an academic way, the research questionnaires were distributed to 200 respondents from different hotels in Mandalay especially to those who were staffs and performing their duties and responsibilities in operating hours (9:00 am to 5:00 pm) from Monday to Friday over three months of course time. The research question was designed in likert scale from strongly disagree to strongly agree choices. To analyze the data collected from respondents, the researcher has used SPSS statistical software to find out the correlation between independent and depend variable with the help of Pearson and spearman correlation testing. The questionnaire was pre tested with sample size of 30 respondents' to check the reliability and significant level of survey questions through Cronbach's reliability test.

As a result, it was found out that overall correlation relationship between economic factors including all the factors accompanied with hotel occupancy rates was .756** which is stronger than moderate, then the correlation relationship between legal factors and hotel occupancy rates was .819** which is very strong positive relationship, and finally correlation relationship between technological factors with hotel occupancy was .779** which is stronger than moderate as well. This shows that there is positive correlation between independent and dependent variables, indicating that economic factors, legal factors, and technological factors are major concerned to grow hotel occupancy rates in Mandalay, Myanmar.

As an outcome, this research will provide recommendation to government sector, ministry of tourism and hospitality sector, different

hotels in Mandalay in order to improve tourism and hospitality condition not only in Mandalay but as a whole in Myanmar.

Keywords: Economic factors, legal factors, technological factors, hotel occupancy rates.



ACKNOWLEDGEMENT

First of all, I would like to express my sincere gratitude to **Dr. Vijit Supinit**, Dean of Graduate School of Business, Siam University, Bangkok, Thailand for his guidance, vision and mostly his encouraging ways of connecting with his student. Personally I'm grateful and indebted to have such a professional dean. It makes the atmosphere and environment to work in worthwhile and it is a privilege to encounter a man of profound wisdom like him. He shared his knowledge to students not only the academic education but also way of good living in the society to which I will carry the rest of my life.

Secondly, I would like express my sincere gratitude to all Professors of Siam MBA classes, who devoted their times for students to enthusiastically share their knowledge, to my MBA classmates, who worked together for the better knowledge and better society at Siam, and to selected hotel staffs of Mandalay who assisted me data collections for this research.

Furthermore, I would like to deeply thank Myanmar migrant worker families in Mahachai, Thailand, who worked with me for the betterment of migrant rights and education and encouraged me to learn advance education in Thailand.

Lastly, but the most benevolent one is my beloved **Parents**, who devoted their lives for their children to have better education. With this research work, I deeply send my great gratitude to my parents from the bottom of my heart.

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CHAPTER I

1.1 Introduction

Myanmar, officially the Republic of the Union of Myanmar, also known as Burma is a sovereign state in Southeast Asia bordered by Bangladesh, India, China, Laos, and Thailand. Myanmar is the second largest countries in Southeast Asia with the total land area of 676,578 square kilometers and 1920 kilometers of coastline close to Andaman Sea and Bay of Bengal (*Ho Mei Leng*), and the largest country in mainland of Southeast Asia, spanning 936 km from east to west and 2,051 km from north to south (*OECD (2013), Multi-dimensional Review of Myanmar*).

In the list of World Panorama, Myanmar is recognized as the “Land of Golden Pagodas”, which has various tourist attraction places and national heritage zones in such as Yangon, Mandalay, Bago, Shan State, Rakhine State, and mainly Mandalay region which is not only the lifeblood of Myanmar civilization and but also the center of numerous Buddhist institutions, where the collections of paintings, manuscripts, art objects and inscriptions are housed in various monasteries and museums (*UNESCO*), is the most highlighted tourist attractions.

In Mandalay, the major national heritage zones highlighted for visitors are Mandalay Grand Palace, where reminds the visitors of the last days of Myanmar King and the first day of British colony to upper Myanmar, Mandalay Hill and historic ancient Pagodas and Temples founded by Myanmar Kings throughout Mandalay, and next to Sagaing, Amarapura, Inwa, and Ancient City Bagan, just 180 kilometers away from Mandalay, which is the capital city of the first Myanmar Kingdom and one of the 20th of the world’s most beautiful World Heritage Sites (*Sarah Reid, CNN*), nay, the most venerable place in Myanmar, but although Mandalay

owns such an amazing treasure things endorsing to visitors, it is still facing decrease in the amount of hotel occupancy rates. This paper will elucidate the hotel industry in Mandalay as a good solution tool to enlarge hotel occupancy rates.

1.2. Subject

The main intention to do this research is to find out the reason for decrease in hotel occupancy rates in Mandalay despite of ample amount of travelling places, indicating economic situation, legal situation and technological factors; such as junta government policies, violation of human rights, visa bans, military leaders from globe entry restriction, poor wireless connectivity, cashless transaction, limitation in FDI investment, large number of black marketing trading, poor monetary and fiscal stability, low level of living standards, lack of government planning, high trade deficit, poor roads and transport facilities, inefficient infrastructure. According to Ministry of hotels and tourism, Myanmar (June 2015), the total number of hotels and guesthouses in Mandalay is 241 with 8468 rooms and most of the times these rooms are fully booked by US, European, Japanese and Singaporean guests for their conference one after the other, but in the reality, the Mandalay has only 3,000 visitors per month. This paper will point out such a make-up report by indicating the actual factors.

1.3. Purpose of Statement

This paper will examine the economic, legal and technological situation in Mandalay, Myanmar which is affecting hotel and tourism industries and reducing the hotel occupancy rates among different hotels in Mandalay, and moreover, the paper will further examine the different

factors of economic, legal and technological which are causing the hotel and tourism industries less growth in Mandalay, Myanmar.

1.4 Research question

RQ 1. What are the economic factors which are affecting the decrease in hotel occupancy rates in tourism and hotel industries in Mandalay, Myanmar?

RQ 2. What legal factors which are affecting the decrease in hotel occupancy rates in tourism and hotel industries in Mandalay, Myanmar?

RQ 3. What technological factors which are affecting the decrease in hotel occupancy rates in tourism and hotel industries in Mandalay, Myanmar?

1.5. Research objectives

(a) To probe into the relationship between economic factors and hotel occupancy rates in tourism and hotel industries in Mandalay, Myanmar?

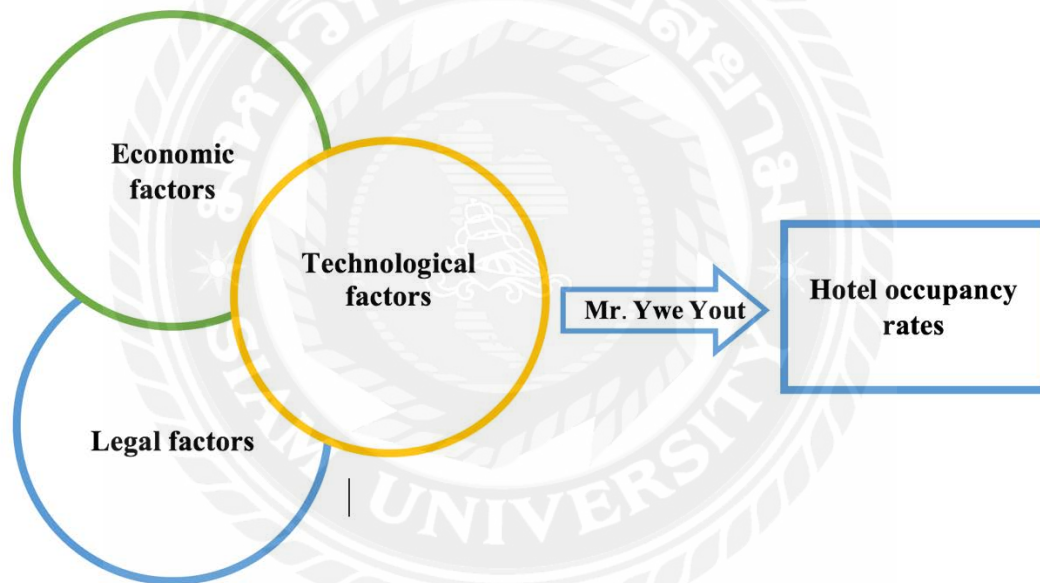
(b) To probe into the relationship between legal factors and hotel occupancy rates in tourism and hotel industries in Mandalay, Myanmar?

(c) To probe into the relationship between technological factors and hotel occupancy rates in hotel and tourism industries in Mandalay, Myanmar.

1.6. Conceptual framework

The conceptual framework is divided into three parts as first set describes correlation between economic factors as independent variable and hotel occupancy rates as dependent variable. The second set describes correlation between legal factors as independent variable and hotel occupancy rates as dependent variable. The last set describes correlation between technological factors as independent variable and hotel occupancy rates as dependent variable.

Figure 1. Conceptual framework



1.7 Hypotheses of research

There are three sets of hypotheses in this research paper as first set describes correlation between economic factors as independent variable and hotel occupancy rates as dependent variable. The second set describes correlation between legal factors as independent variable and hotel occupancy rates as dependent variable. The last set describes correlation

between technological factors as independent variable and hotel occupancy rates as dependent variable.

First set:

H0: It shows that there is no positive correlation between economic factors and hotel occupancy rates.

H1: It shows that there is a positive correlation between economic factors and hotel occupancy rates.

Second set:

H0: It shows that there is no positive correlation between legal factors and hotel occupancy rates.

H1: It shows that there is a positive correlation between legal factors and hotel occupancy rates.

Third set:

H0: It shows that there is no positive correlation between technological factors and hotel occupancy rates.

H1: It shows that there is a positive correlation between technological factors and hotel occupancy rates.

Chapter II: THEORY AND RELATED RESEARCH

2.1 Literature review

Myanmar is having a total area of 676,577 sq. Km and 420,405 in sq. miles, known for its rich heritage, history and culture of different human races. Myanmar has huge variety of natural resources and shares boundaries with neighboring countries such as Bangladesh, India, Nepal, Laos, China and Thailand offers border trade and provides opportunity for tourism industry to grow. There are several ways that Myanmar can explore its tourism in order to attract more tourist are discussed as below.

- (a) Historical tourism: it explains about the history lagged behind the past of Myanmar establishment, teaches about its past colonies of 2nd Century AD.
- (b) Cultural tourism: it explains about the Myanmar people culture and its association with religion, tradition, food, pagodas, stupas, custom and ethnic groups which brings Myanmar a perfect and ideal place to visit.
- (c) Environmental tourism: it explains about the species, ethnic diversity about Myanmar people and those travelers who are interested in learning about it can choose Myanmar for their environment tourism (MMRD,2012).

2.1.1 The background of Mandalay

Table 2.1: Basic facts of the Mandalay Region

Size of Mandalay Region	11,925.95 sq. miles
Population in the region	6.165 million (12% of Myanmar population)

	Population density – 206/km ²
Number of households	1,323,191
Percentage of urban households	31.4%
Number of districts	7
Number of townships	31
Capital city	Mandalay
Gross Domestic Product	11.4% of overall GDP (FY2014-15)
Major industries	Agriculture, Trading, Logistics, Minerals and Mining, Wood and Forestry

Source – Mandalay Investment Opportunity Survey Report, October 2015

Mandalay Region is strategically located in the heart of central Myanmar, which has a mixed economy combined with agricultural production, trading, logistic, mining, wood and forestry, and tourism.

The region is home to various industries, such as alcoholic breweries, textile factories, sugar mills and factories of household and consumer goods. Minerals and precious materials, like ruby, gold, diamond, marble and industrial mineral are also produced in specific areas. Among them, Mogok is famous for its ruby mines, which is among the most significant deposits in the world. Tourism also forms a substantial part of Mandalay Region's economy. With tremendous growth of international tourist arrivals to Myanmar in recent years, some of the most popular tourist destinations led in its territory. Temples and ruins of Bagan and Amarapura are most famous destinations as well Mandalay city itself attracts many visitors with its religious and historical sites. Hilly regions of Pyin Oo Lwin and Mount Popa are famous for eco-tourism.

Moreover, Mandalay Region is one of the regions which contribute significantly to Myanmar's economy. The region contributes around 11.4%

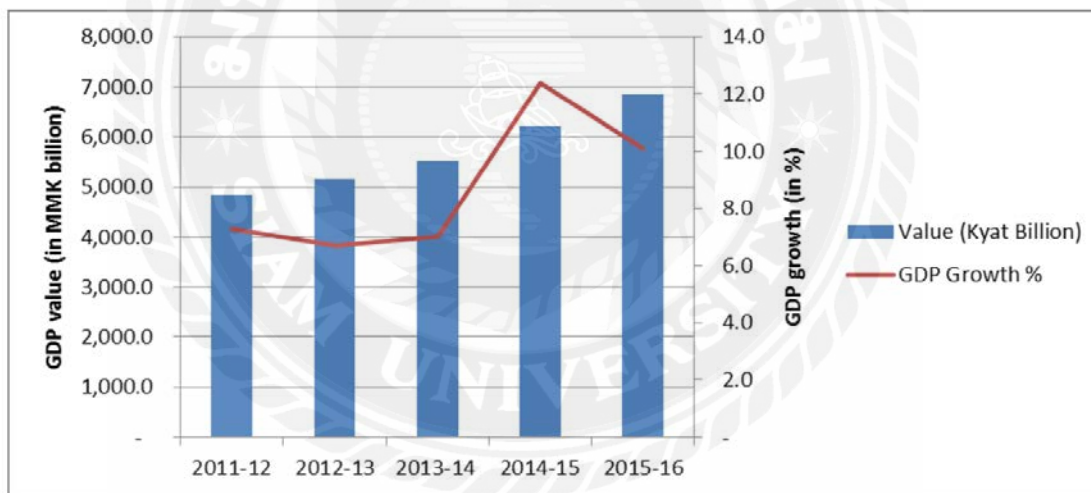
of Myanmar's GDP, behind Yangon Region (22%) and Sagaing Region (11.6%) during FY2014-15. (*Mandalay Investment Opportunity Survey Report, October 2015*)

Table 2.2: Contribution of Mandalay Region to Myanmar's GDP

Fiscal Year	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Contribution to Myanmar's GDP	11.29%	11.25%	11.08%	11.42%	11.50%

Source: Ministry of National Planning and Economic Development

Figure 2: GDP of Mandalay Region

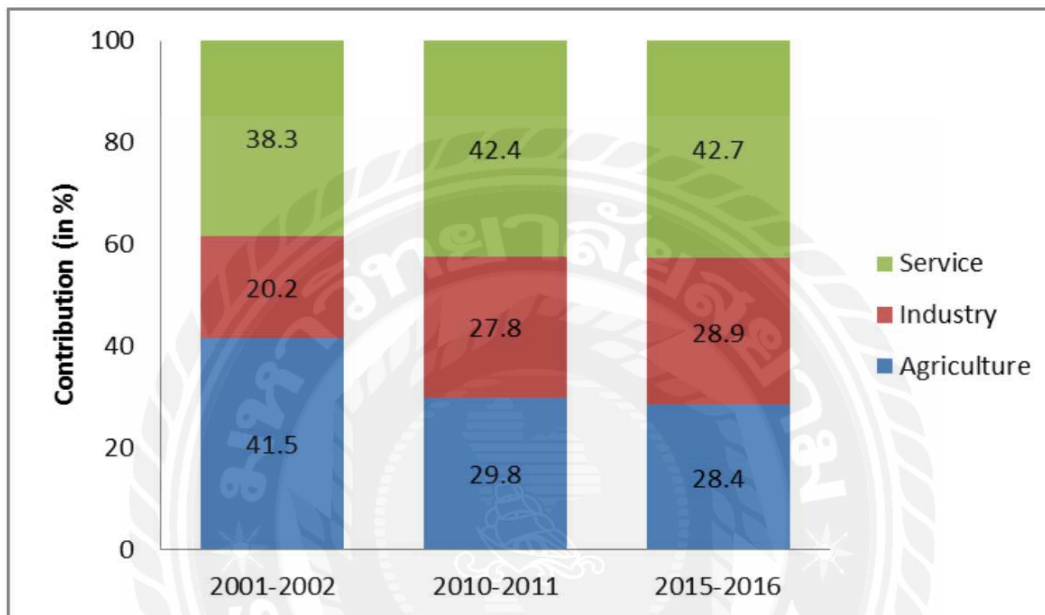


Source: Ministry of National Planning and Economic Development

The region's GDP used to be mainly derived from primary products such as agriculture and forestry. During FY 2001-2002, agriculture was accounted for 41.5% of the overall contribution of the Mandalay Region's GDP. However, it was reduced to 29.8% in FY 2010-11, with increasing contribution from the industry and service sectors. The industry and service sectors could

become important contributors to Mandalay's GDP as figure number 3 described below;

Figure 3: GDP contribution of the Mandalay Region by sector



Source: Ministry of National Planning and Economic Development

The need for infrastructure

Currently, Mandalay has 158 hotels with 6,432 rooms for visitors as detail of following table.

Table 2.3: Current number of hotels in Mandalay

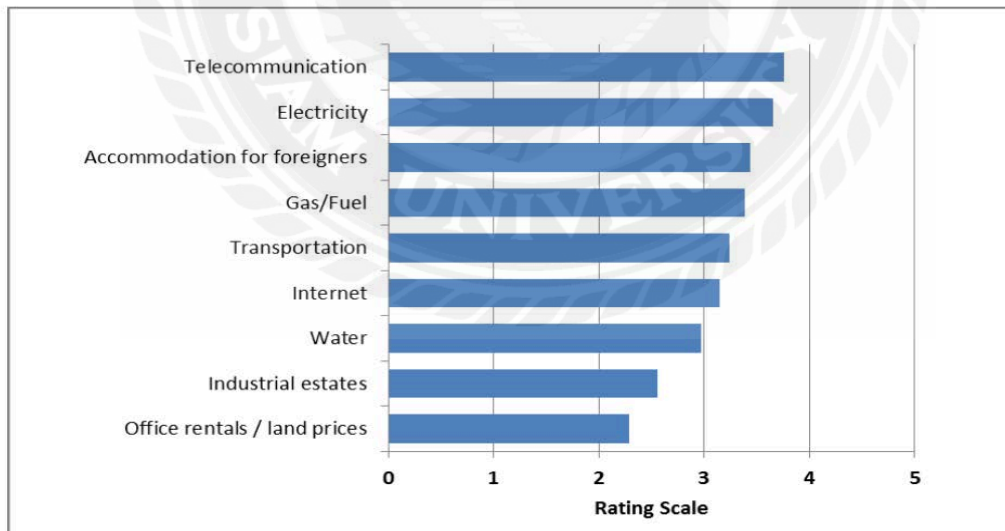
No.	Type of Hotel	Number of Hotels	Number of Rooms
1	(1) to (20) Rooms Hotels	34	533
2	(21) to (50) Room Hotels	94	3,227
3	(51) to (100) Rooms Hotels	23	1,564

4	Above (101) Rooms Hotels	7	1,108
Total		158	6,432

Source: Ministry of Hotel and Tourism

It is clear that the infrastructure has strong impact on service industry. It is a fundamental factor which contributes to the development of highly competitive economy. To have large investment in hospitality industry and other sectors, the fundamental infrastructure such as telecommunication, electricity, standard accommodation, transportation, internet, clean water supply, reasonable office rental price and land price are very essential to develop service industry.

Figure 4: Rating infrastructure in Mandalay Region



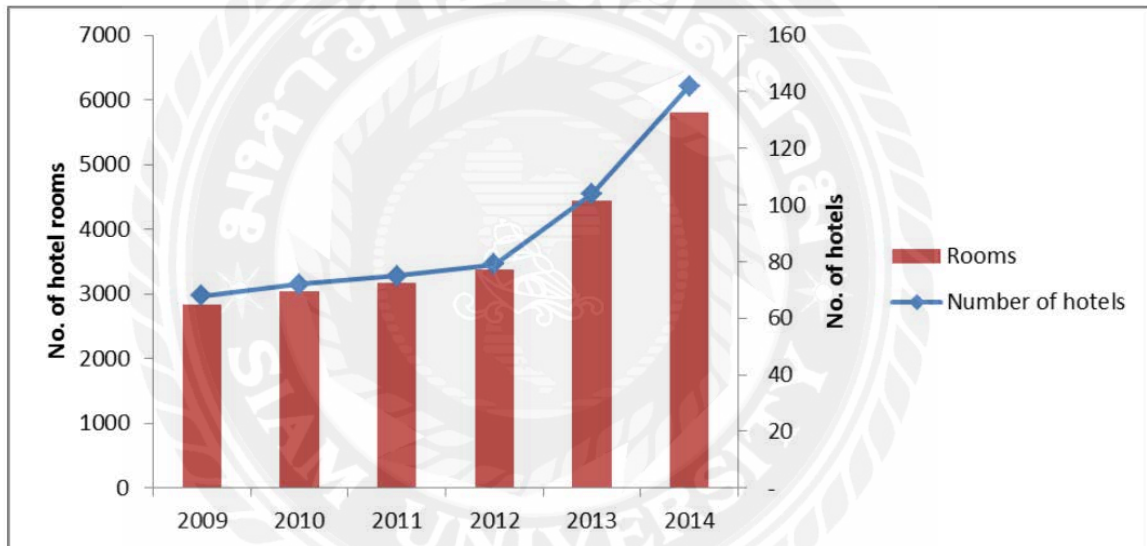
Source: Mandalay Investment Opportunity Survey, October 2015

As figure above, telecommunication has improved the most compared to the previous years. It is rated as the highest compared to other infrastructures in Mandalay. Although telecommunication is getting better, stability of

electricity, internet connection, clean water supply, and price of facility are still in critical situation.

Electricity has been better compared to years ago but the low voltage is a barrier to hotel and other business operations, which need high and consistent electricity supply. Most industries use own tube well for water supply but it cannot be drinkable.

Figure 5: Hotel rooms in Mandalay over 6 years



Source: Ministry of Hotel and Tourism

As this figure number 5, there are not many newly established high-end and business hotels over the six years in Mandalay. Apart from international brands such as Best Western and upcoming Pullman Mandalay, Mandalay only offered two premier accommodations namely Sedona Mandalay and Mandalay Hill Resort.

Tourism attraction zones of Mandalay

Mandalay is mostly favorable in eyes of travelers in terms of architectures and arts. During the 19th century, it was the capital of Myanmar's last independent kingdom before Yangon. Mandalay is also known for the people to go there for religious studies and its architecture sites represent about its romantic images and on the other hand the famous Maha Myat Muni and Kuthodaw Pagoda symbolize religious studies. With the former capitals of Ava and Amarapura just short driving to the south, Mandalay is one of the country's most popular destinations for both local and foreigners.

The additional income achieved from tourism in Mandalay is from handicraft business such as selling of woodcarvings, silverware, tapestries and silk.

The famous tourist attraction zones in Mandalay are as follows:

1. Mandalay grand palace
2. Mandalay Hill
3. U Bein Bridge
4. Mahagandayon Monastery
5. Mahamyatmuni Buddha image
6. Shwenandaw Monastery
7. Kuthodaw Pagoda
8. PyinOoLwin flower city
9. Sagain Hill
10. Kaungmudaw Pagoda
11. Mya Thein Tan Pagoda
12. Mingun Pagoda and Great Bell

13. Menu Okkyaung
14. Phowintaung
15. Ancient city Bagan
16. Mount Popa

Immigration and visa type

- (1) **Tourist visa** for package tour valid for 28 days and cost would be 32 USD
- (2) **Business visa** needs an invitation letter from Myanmar for 28 days and can be extended up to 12 months depending upon the case and the cost would be 48 USD for single entry and 240 USD for multiple entry
- (3) **Entry visa** is for social meetings and participation which requires a proper bio data with a recent passport size photograph. For meditation purpose it requires invitation from the respective monastery. For official purpose requires an invitation letter from ministry and the total cost would be 48USD which will be valid only for 28 days. Multiple entry visa requires an official letter from the respective ministry and the total cost would be 240 USD
- (4) **Visa on arrival** has different categories such as Business which will be chargeable from 26 to 50 USD depending upon the case and for that expatriate will need to show the working permit. Entry visa will have the same protocol which requires an official letter from the ministry or respective departments and the total cost would be 40 USD. The transit visa which is the last categories and cost around 20 USD

Additional requirements

- Passport with at least six months' validity.
- Applicant's photo size 1.5 x 2 inches with white background only.
- A copy of flight itinerary.
- A recommendation letter from employer or guarantor who sponsors the applicants.
- Travelers must have the booking in hotels.

Politics and immigration

During 1948 to 1962 the tourist visas were valid for one month and then in 1962 to 1988 the socialist government came into power and introduced the closed door policy which was only issuing the transit visa that last for 24 hours to 14 days so as a result only 2000 tourists traveled to Myanmar in that period followed by 42,000 tourists only from 1986 to 1987. In 1987 the tourism industry was very much disturbed due to bloody mass anti-government movement which has affected Myanmar on large scale and then the state law and order restoration council (SLORC) and state peace and development council (SPDC) administration joint together to promote the tourism with the help of Ministry of hotel and tourism. It was coming into existence in 1992 which has increased the tenure of tourist visa from 14 days to 48 days and finally, in 2004 ministry of hotel and tourism introduced e-visa system.

Table 2.4: Arrivals of visitors

Point of entry	Yangon	Mandalay	Naypyitaw	Borders	Total	% +/- from previous year
2000	206,778	887		208,765	416,344	
2001	203,200	1,662		270,244	475,106	14.11%
2002	212,468	2,722		270,278	487,490	2.61%
2003	198,435	3,050		391,405	597,015	22.4%
2004	236,370	2,500		414,972	656,910	10.03%
2005	227,300	2,409		427,988	660,206	0.50%
2006	257,594	2,410		366,547	630,061	-4.57%
2007	242,535	2,220		468,358	716,434	13.71%
2008	234,417	2,226		537,911	731,230	2.07%
2009	297,246	4,430		519,269	762,547	4.28%
2010	364,742	3,337		480,817	791,505	3.80%
2011	280,913	4,432	5,521	425,193	816,369	3.14%
2012	205,870	4,294	N/A	N/A	299,529	-63.31%

Source – Ministry of Hotel and Tourism Industry

The above data is from Myanmar tourism statistics, 2012. As the figure, many visitors are coming from borders areas as because these areas have a lot of migration and commodities transfer activities are done.

In Mandalay the most number to tourists visit on tourist visa followed by business visa and entry visa as Myanmar tourism statistics show that in 2011 the total number of tourists on tourist visa is 12,786 followed by business visa which was 11,786 and entry visa was 196 respectively.

Points of entry

- **By air:** Yangon, Mandalay and Nay Pyi Taw international airports
- **By sea or waterways:** Yangon
- **By border:** Chain- 4 gateways at Lweje, Muse, Kyukoke, Mong La
Thailand- 4 gateways at Tachileik, Myawaddy, Kawthuang, Three pagodas

Table 2.5: List of commercial airlines operating in Mandalay Region

Sr. No.	Name of airlines
1	Myanmar National Airlines (formerly known as Myanma Airways)
2	Asian Wings
3	Air Kanbawza
4	Air Bagan
5	Yangon Airways
6	Golden Myanmar
7	Mann Yadanarpon
8	China Eastern* (Mandalay- Kunming)
9	Air Asia* (Mandalay- Bangkok)
10	Bangkok Airways* (Mandalay- Bangkok/ Chiang Mai)
11	SilkAir* (Mandalay- Singapore)
12	Myanma Airways International (Mandalay- Gaya/ Seoul)

Source – Mandalay Investment Opportunity Survey Report, October 2015

As the data above, Mandalay has only four international airlines, furthermore, all of them are not direct flights from western and other developed countries. They are just very regional flights providing secondary visitors from Thailand and neighboring countries, and for Myanmar local

people going out for medical tour and shopping. The last flight from Mandalay Airport is at 6:10 pm and after this flight, no one is at the airport except airport security. All the money exchange service, restaurants, airport taxi service are closed before the last flight. It does not have 24-hours operation and it is still very local standard airport.

2.2 Economic factors

As all know that Myanmar is located in between boundaries as crossroad of China and India and surrounded by the world great civilizations and it's considered to be a largest country in South East Asia and has very rich variety of natural wildlife and cultural resources. Myanmar is covered with 60% of water whereas the river Ayeyarwady serves as the life saving for the people of Myanmar to carry out their livelihood.

Moreover, in Myanmar has various shape and sizes of mountains and most of them are available in horseshoe-shaped size as the mountain Hkakabo Razi is the famous mountain and quite favorite among in the eyes of tourists and this mountain is 5,881 meters. Myanmar population is almost over 60 million and growing strongly and has eight different ethnic groups at large with 10 small minority's ethnicity in each group.

Myanmar has different festivals which brings a lot of tourist to explore their culture, colorful life and ethnic diversity and also witnessed different era of history and various legacies of kingdoms. There are various and unique archeological sites with wider range of ancient culture resemblance,

traditional arts and crafts which shows that Myanmar has lot to offer as an ideal tourist spot but due to some economic factors Myanmar and its major cities are been affected as discussed below (*Kay Thi Lwin, 2017*).

Background

As discussed earlier back then 1962, Myanmar had been known as an isolated and separated nation where all major industries were owned by state government and visa validity was only 24 hours to 14 days at maximum and was the main reason for tourism industry to decline at rapid speed. In 1990 the tourism industry was initiated as foreign investments for foreigners with the help of new government came into force. In 1996 there was a new campaign launched by the new established government as “visit Myanmar year” to attract the tourist on greater scale but according to the noble prize laureate winner and the leader of Burmese Democracy Movement, 1991, Aung San Su Kyi was literally against this campaign of “visit Myanmar year” and advocated that foreign nationals should not come to Myanmar unless situation permits and improves as because of dictatorship in the ruling government party. Unfortunately, for the next two decades this situation didn’t improve and government tried to improve as other factors of economic situation which are explained closely as below.

Foreign currency exchange rate

Due to the military rule, the exchange rate was not a value addition to the GDP of Myanmar. There are generally two exchange rate one for the official purpose which \$1= 6 kyats and other for general public which is \$1=

6000 kyats and its 150 times more than the official rate. Furthermore, for every 100 dollars which has been paid to the country only 600 kyats goes to national budget and balance amount goes to people who enjoys power so this brings that Myanmar can't bear the foreign exchange status.

Infrastructure

Development of infrastructure doesn't bring any employment opportunity to the people of Myanmar because the labors used to develop the infrastructure were forced labors and were being misused by the military. Therefore, it was not adding any benefits for the country as many people decide to move to Thailand for work as they were not getting paid properly.

Civil War

Even today there are certain areas where tourists are not allowed to enter as because there are some on-going war and unfair practices happening between some ethnic group communities due to poor political situation as it's getting worse day by day because there is no sense of security provided to the people who are being affected due to war from the government.

The most attractive places in Myanmar are certain region such as Kachin state, Chin state, Mount Hkakabo Rizi are still unexplored and untouched by the tourists. To develop tourism in those remote areas, to stop the civil war is crucial. As long as the central government cannot implement the civil wars at any corner of country, Myanmar will have so many limitations to develop not only tourism and but also all economic sectors.

2.3 Legal factors

In order to enter in Mandalay, it possess different and various legal challenges. To start a business in Mandalay can be tedious task because of its difficult and complex situation as well as regulations.

According to the World Bank data of doing business index of 2015 it shows that Myanmar is a place of doing business with so much ease ranks 177 out of the total countries participated as were 189 worldwide as it's a much lower ranking with the availability of resources and human development index. The average ranking for East Asia pacific would be 92. According to this data the minimum paid up capital is 6,190% of the income per capita and it produces only 156% of national income and the number of delays to open a business in Mandalay or in Myanmar as a whole would take an average of 72 days which is generally very high risk and challenge to open a business.

The development of hotel is compounded with the uncertainty and frequent changes in regulation in terms of licensing, unclear procedures, slow process. For example, if someone wants to obtain the MIC certificate the normal process will take up 90 days but in Mandalay it will take up to 5 months.

In some cases, the construction will be stopped by the officials at any time or can be start without having an official approval.

However, in order to attract the tourists on large scale the authorities in Mandalay or in Myanmar as whole should take preventive steps.

- No clear framework for setting up a company
- No encouragement of FDI or give at least 49% of foreign ownership.
- Foreign Investment laws of 2012 needs improvement
- To provide incentives in corporate ownership, land use, tax relief.

- To provide local equity and employment opportunities for foreign nationals.
- To provide 100% ownership in hotel buildings of above 3 star hotels
- No tax benefits for first five-year operation
- No tax benefits for retained earnings.
- No long lease agreement for business operation.
- Long process of getting hotel licenses
- Long process of obtaining tour company licenses
- No facilities for tourist to obtain transportation license

Now the government of Myanmar trying hard to reform and reconstruct the tourism industry by bringing certain plans such as;

- Myanmar tourism plan 2013-2020
- Myanmar responsible Tourism policy-2012
- Policy on community involvement in tourism 2013
- Ecotourism policy and management strategy (ongoing)
- The investment laws
- Reform of labor laws, freedom of association, social dialogue
- Environmental conservation Law and EIA guidelines
- Land use policy and land laws
- Transport master plan
- Directives for coastal beach areas
- Greater transparency and freedom of expression

- To increase the marketing aspects so that the new places can be opened for exploration
- To develop the hotel infrastructure
- To develop the tourism in ethnic minority and conflicts places
- To provide help intention towards tourist.
- To increase the respect for social and environmental aspects of Myanmar
- To improve the respect for land rights
- To ensure visitor return safety
- To provide security for tourist
- To reduce forced labor.

2.4 Technological factors

Technology is not very modern in Myanmar especially in Mandalay as tourists and daily commuters face challenges on a daily basis. For example, in Mandalay railway is considered to be very common means of transportation but its condition is very poor. Motorbike is a best possible way to shuttle between one ends to another place in Mandalay but roads are not in good condition and its worse if visitors are travelling during rainy season.

The common public transport such as trishaw, taxi and buses are not effective and reliable source of transportation in Mandalay apart from Yangon which has got still better compared to Mandalay.

Transportation to connecting states can be only possible because of flights such as place which is called as Kachin state; one can go only by flight, by

road it's not possible or even impossible. The number of flights is not in Large number and unreliable. There are only 69 reported airports in whole country and out of that only 11 of them had runways over 10,000 feet which is approximately 3248 meters. The all 11 airports only Yangon airport has got all the international standard facilities.

Communication system is also not sufficient and it very slow as most of telecommunication industries are operated by state owned or government owned which has got very slow internet facilities in Mandalay

By 2011, a fixed telephone lines cannot be arranged in some villages and the official waiting lines to avail the telephone connection accounted as 100,000 by 2002 and it has only increased up to 250,000 by 2009.

Mobile users are in good numbers as they accounted for 1.2 million users but less than only 3% can accessible in some areas of Mandalay as because of slow internet connection so these are the challenges in technology creating tourism and hotel industry not to grow in Mandalay.

Star rating system of Myanmar Hotels

According to hotel star rating of Directorate of Hotels and Tourism in Myanmar, the star rating system is credited on hotel's location, formation of hotel rooms and facilities, qualifications of staffs, engineering sector of hotels and management system. The following table describes the distributed marks for Myanmar hotel for rating Star level, but in the reality, most of the hotels in Mandalay do not prefer to accept star rating on their business and have no standard technology to give the accurate starting rating to them.

Table 2.6: Standard marks of star rating system for Myanmar hotels

No.	Hotel Star Level	Total given Marks	Minimum Marks
1	5-Star	500	420 and Banquet Hall
2	4-Star	500	370 – 419.9 and Ball Room
3	3-Star	500	320 – 369.9
4	2-Star	500	270 – 319.9
5	1-Star	500	220 – 269.9

Source – Ministry of Hotel and Tourism Industry

2.5 Hotel occupancy rates in Mandalay

As in Myanmar the total number of rooms is 25,000 of all classes in which there are 730 hotels and guest houses. According to the data from the ministry of hotel and tourism statistics the total number of rooms in Mandalay was 3181 in 2011 which has increased to 6788 by 213% in the year 2015.

According to the Myanmar times, even though there was a peaceful election happened last November in Myanmar but there has not been single progress effort made towards the development of hotel and tourism industry.

High prices, poor infrastructure and lack of human capital are the still old problems stopping the growth and apart from that the ongoing tension between Thailand and Myanmar is also affecting the tourism and hotel industry as whole.

According to U Aung Myat Kyaw, former chief of the Union of Myanmar Travel association and central committee member of the Myanmar Tourism Federation advocated that tour number are getting down especially in the areas like Mandalay, Bagan and Ngapalis as foreign tourists are coming in less numbers and occupancy rates are going down by 10%

Domestic tourism is going steadily but foreign tourists are declining during peak season which is from October to April as among all ASEAN countries it's considered that Myanmar is most expensive and in return not offering the better facilities to foreign tourists is most likely reason for hotel occupancy rates going down.

There is a lack of good marketing strategies to attract foreign tourist to go to Mandalay as most travelers are opting their option to Thailand and Vietnam as they are offering value for money services and facilities.

According to the ministry of Hotels and Tourism, the country had 1279 hotels with 49,994 rooms as of now but many of them were empty during the end of last year. He further had said that a 4-star hotel in Thailand and Cambodia would cost \$50 and the same would cost around \$100 in Mandalay or in Myanmar as whole.

The other reason for low hotel occupancy rates is the facilities of Visa-on-arrival are limited to some countries which they should increase it to more countries.

Myanmar hotel prices ‘need to be more competitive’

According to Tin Tun Aung, managing director of Thingazar Travels and Tours, Myanmar tourism operators have been urged to focus on more competitive prices and reforming products. Currently hotel room rates of Myanmar are 50 – 70% higher than other countries in ASEAN despite an overall lower room and service quality. Although Myanmar received her highest point 4.5 million visitors in the last year, 2015, the figure is still much lower than her neighboring countries, compared Thailand 30 million, Vietnam 9 million and Cambodia 7 million, even Laos recorded about 5 million visitors. To increase the hotel occupancy rates and develop tourism industry, Myanmar deadly need to reduce the hotel room rate and appropriate trainings for all kinds of staffs in the industry to compete service industry with other neighboring countries like Thailand, Vietnam, and Cambodia (*Khine Kyaw, Myanmar Eleven*)

Chapter III: METHODOLOGY

3.1 Research method

In this paper the first step to study literature review and in that to discuss about the various factors of economic situation, legal situation and technological factors which are affecting the hotel occupancy rates as discussed in chapter two.

The second step to find the quantitative procedure which will fit for this research paper with the help of SPSS system and the next step is to collect the information and data from the hotels based in Mandalay.

The final step is to put all the collected data from the respondent to put in the SPSS software to find the relationship between dependent variables and independent variables but before putting all the respondents in to the software, the study is required to do the pretesting of at least 30 respondents to check whether there is any reliability in the scale and this can be achieved with the help Cronbach's reliability test of 30 respondents.

The questionnaire will carry 31 questions including the personal details of age, salary, nationalities, occupation, gender and number of times visited in Mandalay and followed by the questions based on the economic situation, legal factors, technological factors and hotel occupancy rates in Mandalay.

The total number of questionnaire are 200 which will be distributed to four different hotels in Mandalay with 50 copies each and the response will be collected in normal operating hours of Monday to Friday between 7:00 am to 5:00 pm.

3.2 Scope and Limitation

This research adopted survey in the period on 01st February 2017 to 30th April 2017. Although it was planned to distribute 400 – 500 sample questionnaire to more different hotels, Mandalay has average only 3,000 visitors per month and it made difficult to implement the research within specific time frame. On that account, size of questionnaire copy was reduced to 200 which was maximum size for current hotel and tourism market in Mandalay and number of focused hotels were also reduced to four. The reason choosing those four hotels was that two of them, Mandalay Hill Resort Hotel and Sedona Hotel are well established in Mandalay for more than 10 years and the other two, Mandalay City Hotel and Hotel Shew Pyi Thar are also high standard hotels, highly occupied and leading hotels in Mandalay. All of them are Four star hotels and have foreign background investment and standard operation to serve so many loyal customers who visit Mandalay for many purpose, for business, investment, meeting with family and friends, group tours and personal tours and so on. Seeing that, those four hotels were focused to distribute the sample research questionnaire for this research to implement within limited time frame. One more reason to select those hotels was that their staffs were so flexible and willing to help for data collection at their hotels. Most the hotels there were so scare to allow such a research questionnaire on the visitors.

3.3 Places to collect the data

- (1) **Hotel Name:** Mandalay Hill Resort Hotel
Address: No. (9), Kwin (416.B), 10th Street,
At the foot of Mandalay Hill, Mandalay
Contact: + 95 2-35638, 2-35672, 2-35674
Web: <http://www.mandalayhillresorthotel.com>
- (2) **Hotel Name:** Sedona Hotel, Mandalay
Address: No. (1), Junction of 26th and 66th Streets,
Chan Aye Tharzan Township, Mandalay
Contact: + 95 2-35638, 2-35672, 2-35674
Web: <http://www.sedonahotels.com.sg/mandalay>
- (3) **Hotel Name:** **Mandalay City Hotel**
Address: 26th Street, Between 82nd and 83rd Street.
Chanayetharzan Township, Mandalay,
Contact: + 95 2 61700, 1 535535
Web: <http://mandalaycityhotel.com>
- (4) **Hotel Name:** **Hotel Shwe Pyi Thar**
Address: No. B/8, Pyinoolwin Road,
Between 31st & 32nd Street,
Chanayethazan Township, Mandalay
Contact: + 95 2 2844401, 2 2844409
Web: <http://www.hotelshwepyithar.com>

3.4 Research framework

This research framework is divided into four parts. First part explains personal details of respondents as second part explains about the economic factors which consist of socio economic background, currency exchange, hotel price and well trained labor etc. The third part explains about the legal factors comprising about tax incentives for hotel business and hotel licensing rule and regulation etc., and the fourth part explains about the technological factors which covers telecommunication, tourism safety and security information center and electronic banking service etc. The last part includes the reason of low occupancy rates.

3.5 Sample size

According to Jackson in 2008 suggested that a researcher can use a simple random sampling technique for selecting a sample that has an equal chance to be selected. It was estimated that those specific 4 hotels in Mandalay had about 300-400 persons all together of monthly customers. Therefore, this amount of customers was considered as population of the research.

In determining the sample size for those selected hotels, there are several methods, however, selecting sample size in this research was based on the guidance of Naumann and Giel (1995) that present an appropriate sample size requirements regarding to population size shown in table. The sample size for this study was 200. Sample size requirements (95% Confidence, Error= +5%)

Table: 3.1: Guidance of sample size

Population size	Require No. of Respondents
100	80
200	132
300	169
400	197
500	218
1,000	278
1,500	306
2,000	323
2,500	334
3,000	341
5,000	357
10,000	370
20,000	377

Sourced: Naumann and Giel (1995)

3.6 Data analysis procedure

In this research paper the first part will measure the reliability of economic factors, the second part will measure the legal factors, third part will measure the technological factors and last part will measure the hotel occupancy rates. The question will be based on likert scale in which strongly disagree will carry 1 point and strongly agree will carry 5 points accordingly.

As discussed in earlier, according to the Cronbach's reliability test to check reliability status, 30 questions were required for pretesting which can tell researcher whether this research work relevant to the reality of current situation or not. As following outcome table, if the score is higher than 0.70, it means that there is positive and strong reliability in the scale questions for the research.

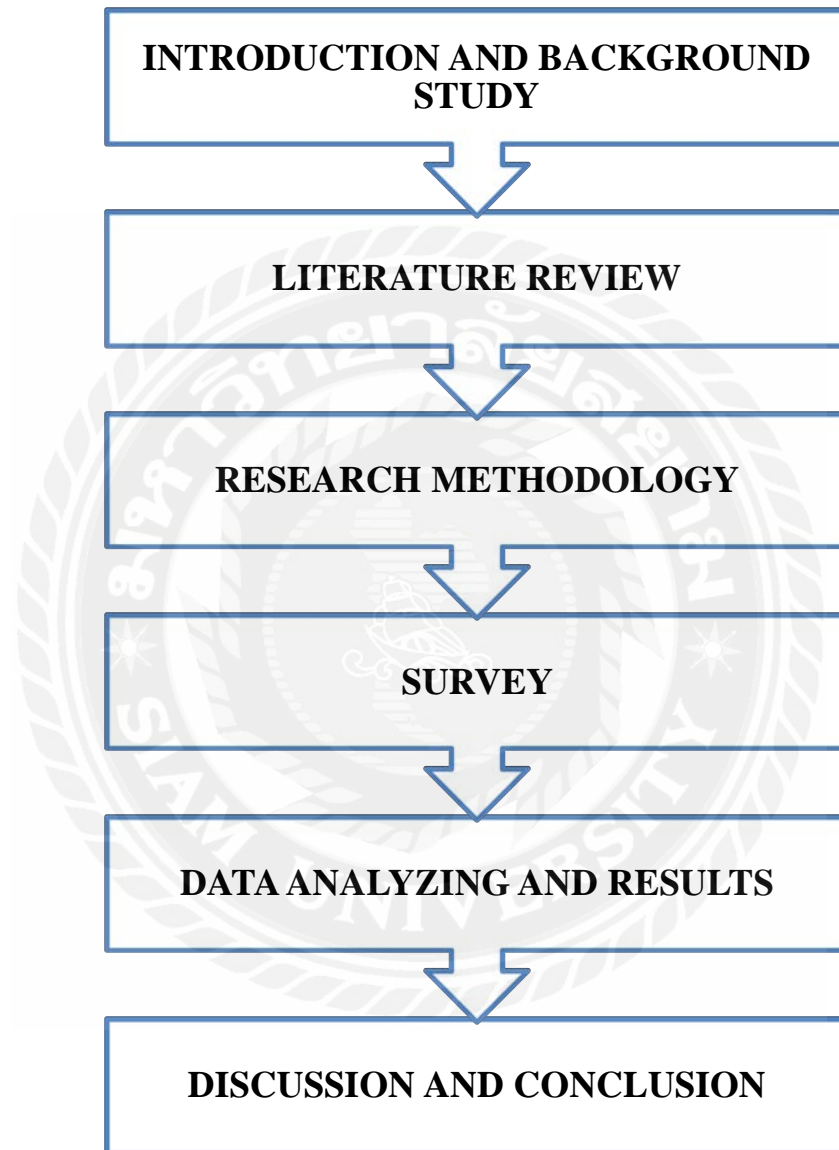
Table: 3.2: Cronbach's reliability test

Reliability Test Factor	Cronbach's Alpha 30 Copies
Economic factors	0.710
Legal factors	0.819
Technological factors	0.797
Hotel occupancy rates	0.759

After the reliability test, the study is to be found out the correlation between hypotheses with the help of Pearson and spearman correlation testing which will be shown in the next chapter. To have more clear image and fact finding, the outcomes were presented by single tables for each single questions which were cautiously arranged to relevant with the situation of currant hotel and tourism industry in Mandalay.

3.7 RESEARCH STRUCTURE

Figure 6: Research structure



Chapter IV:
DATA ANALYZING AND RESULTS

To analyze all data result truly accumulated from respondents of 4 prominent hotels of Mandalay, to which the total 200 questionnaires were proportionally distributed for this research as described in the previous chapter three about detail research method and procedure, it was found out that 69.0% respondents (138 persons in figure) were male and the rest 31.0% respondents (62 persons in figure) were female. The scale of performance to survey questions was totally 100% and there was nobody absent to answer the questionnaires as the outcome tables described below;

4.1 Part 1: Personal details of respondents

Gender

The total number of gender percentage is 100.0% and in this 31.0% are female and 69.0% are male's. In this chart male percentage are too high compare to female as table below;

Table 4.1
Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	138	69.0	69.0	69.0
Female	62	31.0	31.0	100.0
Total	200	100.0	100.0	

Age

In age group, the total number of age percentage was 100.0% and the percentage is valid 18-25 are 26.5% and 26-30 are 36.0% And 31-50 are 35.5% and 51 or older are only 2.0%. As compare to all the percentage there is a minimum difference between 26-30 or 31-50 and the highest percent in this chart are in between 26-30 which is 36.0% as outcome table below.

Table 4.2
Age Group

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-25	54	26.5	26.5	26.5
26-30	72	36.0	36.0	62.5
31-50	71	35.5	35.5	98.0
51 or older	4	2.0	2.0	100.0
Total	200	100.0	100.0	

Nationality

To analyze the nationality of respondents, the total number of percentage in nationality is 100.0% and the highest percent is Chinese i.e. 53.0% and the lowest percent in this chart is American's 1.5%. It has a very huge difference in between Chinese or American as result in the following chart.

Table 4.3
Nationality

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Chinese	107	53.0	53.0	53.5
UK	11	5.5	5.5	59.0
Thai	24	12.0	12.0	71.0
American	3	1.5	1.5	72.5

Others	55	27.5	27.5	100.0
Total	200	100.0	100.0	

Purpose of Visit

In purpose of visit, the total percentage is 100.0% and the highest percent 43.5% in meeting family or friends and the lowest percentage in other are 7.0%. The minimum differences in between business and meeting are 12.0% and 10.0%.

Table 4.4
Purpose of visit

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Investment	55	27.5	27.5	27.5
Meeting family or friends	87	43.5	43.5	71.0
Business	24	12.0	12.0	83.0
Meetings	20	10.0	10.0	93.0
Others	14	7.0	7.0	100.0
Total	200	100.0	100.0	

Salary Range

In the salary range, the total number of salary percent is 100.0% and among them, the highest range in salary 20,000-50,000USD are 39.5% percent and the lowest range in salary more than 100,000 USD are only 8.5% percent as the following table.

Table 4.5
Salary range

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Below 20,000USD	30	15.0	15.0	15.0

20,000-50,000 USD	79	39.5	39.5	54.5
50,000- 100,000	74	37.0	37.0	91.5
More than 100,000 USD	17	8.5	8.5	100.0
Total	200	100.0	100.0	

Occupation

To analyze the occupation of respondents, the total percentage is 100.0% and the highest percentage of occupation is employ which is 42.0% and the lowest percent is government official, only 6.5%. In the following occupational chart, there are a lot of percentage differences in government official, student and others.

Table 4.6
Occupation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Government official	13	6.5	6.5	6.5
Owner of business/ company	54	27.0	27.0	33.5
Employee	84	42.0	42.0	75.5
Student	26	13.0	13.0	88.5
Others	23	11.5	11.5	100.0
Total	200	100.0	100.0	

Number of Times Visit

In the number of visiting time analysis, it was found out that the highest percentage is 2 visit times which is 53.5% and the lowest one is more than 4 times visit, which has only 5.5%. of the total number of percentage 100.0 as the following table.

Table 4.7
Number of times visit

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1 Time	46	23.0	23.0	23.0
2 Times	107	53.5	53.5	76.5
3 Times	21	10.5	10.5	87.0
4 Times	15	7.5	7.5	94.5
More than 4 times	11	5.5	5.5	100.0
Total	200	100.0	100.0	

4.2 Part 2: General Statements on Economic factors

Question 1: I feel that the Mandalay needs much improvement in developing roads.

Total percentage of this question is 100.0%, out of which, the number of respondents who are in agree is 31.5%, in disagree is only 2.0%, in strongly agree is 24.5%, and it has only 3.5% who are strongly disagree on this statement as table below;

Table 4.8: Question 1

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	7	3.5	3.5	3.5
Disagree	4	2.0	2.0	5.5
Neutral	77	38.5	38.5	44.0
Agree	63	31.5	31.5	75.5
Strongly agree	49	24.5	24.5	100.0
Total	200	100.0	100.0	

Question 2: I feel that the Mandalay needs to provide 24-hour money exchange services with positive exchange rate.

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree is 64.0%, in strongly disagree are only

1.0% with this statement, and in neutral is 7.5% who do not agree and/or do not disagree with this question.

Table 4.9: Question 2

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	2	1.0	1.0	1.0
Disagree	9	4.5	4.5	5.5
Neutral	15	7.5	7.5	13.0
Agree	46	23.0	23.0	36.0
Strongly agree	128	64.0	64.0	100.0
Total	200	100.0	100.0	

Question 3: I feel that the Mandalay needs to solve the Civil war as earliest.

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree is 58.5%, in strongly disagree with this statement is only 2.0%, and in neutral is 9.0% who do not agree and/or do not disagree with this question.

Table 4.10: Question 3

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	4	2.0	2.0	2.0
Disagree	12	6.0	6.0	8.0
Neutral	18	9.0	9.0	17.0
Agree	49	24.5	24.5	41.5
Strongly agree	117	58.5	58.5	100.0
Total	200	100.0	100.0	

Question 4: I feel that the Mandalay needs good infrastructure for the hotel and tourism business.

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree is 46.0%, in strongly disagree with this statement is 4.5%, and in neutral is 11.0% who do not agree and/or do not disagree with this question.

Table 4.11: Question 4

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	9	4.5	4.5	4.5
Disagree	12	6.0	6.0	10.5
Neutral	22	11.0	11.0	21.5
Agree	65	32.5	32.5	54.0
Strongly agree	92	46.0	46.0	100.0
Total	200	100.0	100.0	

Question 5: I feel that the Mandalay needs to provide more well trained hotel staffs and employment opportunities.

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree is 56.0%, in strongly disagree with this statement is only 0.5%, and in neutral is 9.5% who do not agree and/or do not disagree with this question.

Table 4.12: Question 5

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	1	.5	.5	.5
Disagree	5	2.5	2.5	3.0
Neutral	19	9.5	9.5	12.5
Agree	63	31.5	31.5	44.0
Strongly agree	112	56.0	56.0	100.0
Total	200	100.0	100.0	

Question 6: I feel that the Mandalay needs to introduce more airlines services and international standard facilities and operation system.

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree with this statement is 53.5%, in strongly disagree is only 3.5%, and in neutral is 11.0% who do not agree and/or do not disagree with this question.

Table 4.13: Question 6

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	7	3.5	3.5	3.5
Disagree	12	6.0	6.0	9.5
Neutral	22	11.0	11.0	20.5
Agree	52	26.0	26.0	46.5
Strongly agree	107	53.5	53.5	100.0
Total	200	100.0	100.0	

Question 7: I feel that the Mandalay needs to promote its national heritage zones and ancient Buddhist institutions to have highly tourist attractions.

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree with this statement is 38.0%, in strongly disagree is 7.0%, and in neutral is 5.0% who do not agree and/or do not disagree with this question.

Table 4.14: Question 7

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	14	7.0	7.0	7.0
Disagree	7	3.5	3.5	10.5
Neutral	10	5.0	5.0	15.5

Agree	93	46.5	46.5	62.0
Strongly agree	76	38.0	38.0	100.0
Total	200	100.0	100.0	

Question 8: I feel that the Mandalay needs to be more competitive hotel prices.

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree with this statement is 48.0%, in strongly disagree is only 4.0%, and in neutral is 13.0% who do not agree and/or do not disagree with this question.

Table 4.15: Question 8

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	8	4.0	4.0	4.0
Disagree	10	5.0	5.0	9.0
Neutral	26	13.0	13.0	22.0
Agree	60	30.0	30.0	52.0
Strongly agree	96	48.0	48.0	100.0
Total	200	100.0	100.0	

4.3 Part 3: General Statements on Legal factors

Question 9: I feel that the Mandalay needs incentives in tax relief, tax benefits for new business and encouragement in FDI.

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree with this statement is 52.5%, in strongly disagree is only 1.5%, and in neutral is 9.5% who do not agree and/or do not disagree with this question.

Table 4.16: Question 9

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	3	1.5	1.5	1.5
Neutral	19	9.5	9.5	11.0
Agree	73	36.5	36.5	47.5
Strongly agree	105	52.5	52.5	100.0
Total	200	100.0	100.0	

Question 10: I feel that the Mandalay needs certain hotel licensing rules and regulations.

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree with this statement is 52.5%, in strongly disagree is 4.0%, and in neutral is 10.5% who do not agree and/or do not disagree with this question.

Table 4.17: Question 10

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	8	4.0	4.0	4.0
Disagree	13	6.5	6.5	10.5
Neutral	21	10.5	10.5	21.0
Agree	53	26.5	26.5	47.5
Strongly agree	105	52.5	52.5	100.0
Total	200	100.0	100.0	

Question 11: I feel that the Mandalay needs to practice reasonable land price and certain land lease regulations for hotel business operation.

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree with this statement is 70.5%, in strongly disagree is only 2.0%, and in neutral who do not agree and/or do not disagree with this question is 9.0%.

Table 4.18: Question 11

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	4	2.0	2.0	2.0
Disagree	9	4.5	4.5	6.5
Neutral	11	5.5	5.5	12.0
Agree	35	17.5	17.5	29.5
Strongly agree	141	70.5	70.5	100.0
Total	200	100.0	100.0	

Question 12: I feel that the Mandalay government should stop using dictatorship policy.

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree with this statement is 69.0%, in strongly disagree is 5.5%, and in neutral who do not agree and/or do not disagree with this question is 6.5%.

Table 4.19: Question 12

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	11	5.5	5.5	5.5
Disagree	7	3.5	3.5	9.0
Neutral	13	6.5	6.5	15.5
Agree	31	15.5	15.5	31.0
Strongly agree	138	69.0	69.0	100.0
Total	200	100.0	100.0	

Question 13: I feel that the Mandalay needs proper framework of opening a business.

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree with this statement is 65.0%, in

strongly disagree is 4.5%, and in neutral who do not agree and/or do not disagree with this question is 5.5%.

Table 4.20: Question 13

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	9	4.5	4.5	4.5
Disagree	10	5.0	5.0	9.5
Neutral	11	5.5	5.5	15.0
Agree	40	20.0	20.0	35.0
Strongly agree	130	65.0	65.0	100.0
Total	200	100.0	100.0	

Question 14: **I feel that the Mandalay regional government should have certain long term strategic plan for hotel and tourism development.**

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree with this statement is 55.0%, in strongly disagree is 4.0%, and in neutral who do not agree and/or do not disagree with this question is 10.5%.

Table 4.21: Question 14

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	8	4.0	4.0	4.0
Disagree	13	6.5	6.5	10.5
Neutral	21	10.5	10.5	21.0
Agree	47	23.5	23.5	44.5
Strongly agree	111	55.5	55.5	100.0
Total	200	100.0	100.0	

Question 15: **I feel that the Mandalay needs standard star rating system and quality control policy to hotels.**

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree with this statement is 68.5%, in strongly disagree is only 1.5%, and in neutral who do not agree and/or do not disagree with this question is 9.5%.

Table 4.22: Question 15

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	3	1.5	1.5	1.5
Disagree	6	3.0	3.0	4.5
Neutral	19	9.5	9.5	14.0
Agree	34	17.0	17.0	31.5
Strongly agree	137	68.5	68.5	100.0
Total	200	100.0	100.0	

Question 16: **I feel that the Mandalay should not practice hotel price discrimination between foreigners and locals.**

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree with this statement is 66.5%, in strongly disagree is 4.0%, and in neutral who do not agree and/or do not disagree with this question is 13.5%.

Table 4.23: Question 16

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	8	4.0	4.0	4.0
Disagree	5	2.5	2.5	6.5
Neutral	27	13.5	13.5	20.0
Agree	27	13.5	13.5	33.5

Strongly agree	133	66.5	66.5	100.0
Total	200	100.0	100.0	

4.4 Part 4: General Statements on Technological factors

Question 17: I feel that the Mandalay needs little improvement in visa process.

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree with this statement is 60.5%, in strongly disagree is only 2.5%, and in neutral who do not agree and/or do not disagree with this question is 9.5%.

Table 4.24: Question 17

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	5	2.5	2.5	2.5
Disagree	3	1.5	1.5	4.0
Neutral	19	9.5	9.5	13.5
Agree	52	26.0	26.0	39.5
Strongly agree	121	60.5	60.5	100.0
Total	200	100.0	100.0	

Question 18: I feel that the Mandalay should improve the internet speed connectivity.

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree with this statement is 63.5%, in strongly disagree is 4.5%, and in neutral who do not agree and/or do not disagree with this question is 8.5%.

Table 4.25: Question 18

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	9	4.5	4.5	4.5
Disagree	5	2.5	2.5	7.0
Neutral	17	8.5	8.5	15.5
Agree	42	21.0	21.0	36.5
Strongly agree	127	63.5	63.5	100.0
Total	200	100.0	100.0	

Question 19: **I feel that the Mandalay needs good public transportation service and tourist information desks at any prominent areas.**

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree with this statement is 48.0%, in strongly disagree is only 3.0%, and in neutral who do not agree and/or do not disagree with this question is 9.0%.

Table 4.26: Question 19

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	6	3.0	3.0	3.0
Disagree	10	5.0	5.0	8.0
Neutral	18	9.0	9.0	17.0
Agree	70	35.0	35.0	52.0
Strongly agree	96	48.0	48.0	100.0
Total	200	100.0	100.0	

Question 20: **I feel that the Mandalay needs to improve telephone connection facilities.**

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree with this statement is 35.0%, in strongly disagree is only 2.5%, and in neutral who do not agree and/or do not disagree with this question is 10.0%.

Table 4.27: Question 20

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	5	2.5	2.5	2.5
Disagree	5	2.5	2.5	5.0
Neutral	20	10.0	10.0	15.0
Agree	99	49.5	49.5	64.5
Strongly agree	71	35.5	35.5	100.0
Total	200	100.0	100.0	

Question 21: I feel that the Mandalay should reach out to remote areas for telecommunication.

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree with this statement is 58.0%, in strongly disagree is only 3.0%, and in neutral who do not agree and/or do not disagree with this question is 11.0%.

Table 4.28: Question 21

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	6	3.0	3.0	3.0
Disagree	8	4.0	4.0	7.0
Neutral	22	11.0	11.0	18.0
Agree	48	24.0	24.0	42.0
Strongly agree	116	58.0	58.0	100.0
Total	200	100.0	100.0	

Question 22: I feel that the Mandalay needs “Tourism Safety and Security Standards Division” to provide alert, advice and tourism-related information to help keep tourists safe.

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree with this statement is 57.0%, in

strongly disagree is 5.0%, and in neutral who do not agree and/or do not disagree with this question is only 5.0%.

Table 4.29: Question 22

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	10	5.0	5.0	5.0
Disagree	12	6.0	6.0	11.0
Neutral	10	5.0	5.0	16.0
Agree	53	26.5	26.5	42.5
Strongly agree	115	57.5	57.5	100.0
Total	200	100.0	100.0	

Question 23: I feel that the Mandalay needs to develop electronic banking service and payment system.

Total percentage of this question is 100.0%, out of which, the number of respondents who are in strongly agree with this statement is 34.5%, in strongly disagree is 6.5%, and in neutral who do not agree and/or do not disagree with this question is 6.5%. There is only slightly different percentage between agree and strongly agree, 34.5% - 44.0% as the table below;

Table 4.30: Question 23

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	13	6.5	6.5	6.5
Disagree	13	6.5	6.5	13.0
Neutral	17	8.5	8.5	21.5
Agree	88	44.0	44.0	65.5
Strongly agree	69	34.5	34.5	100.0
Total	200	100.0	100.0	

CHAPTER V

DISCUSSION AND CONCLUSION

5.1 Overview on research outcomes

Lastly in this chapter, to come up with the literature reviews discussed in the chapter two and the single table of research outcomes described in the chapter four, it was clear that Mandalay need adapt its economic system, legal system, and technological system to relevant with current global hotel and tourism norms and culture. As research outcomes and comments of respondents, it was learned that there were so many obstacles to develop hotel occupancy rates in Mandalay. The respondents mentioned that land price, electricity, technology, transportation, skilled labor and mainly unstable policy and regulations are the most crucial limitations disturbing hotel occupancy rates not to grow Mandalay hospitality industry.

As outcomes of this research, 70.5% of respondents strongly agreed and commented that land price in Mandalay is extremely expensive. For example, land price in Mandalay city remote area is started from minimum 800 USD per square meter and industrial zone like Myothar Industrial Park which has very low level facility and 58 kilometers away from Mandalay city quoted 30 – 35 USD/Sq.m for low land and 60 – 65 USD/Sq.m for potential land close to river size. In this situation, hoteliers have no option to increase the room rate to get the dividend within specific investment time frame. In consequentially, the more hotel price is increasing in Mandalay, the less hotel occupancy rate will be there.

Regarding to the infrastructure, 46% of the respondents strongly agreed that Mandalay needs to develop the infrastructure for the business, for example, one of the respondents commented that 1970s model machineries for the business operations are still popular in Mandalay. Furthermore, 85% of respondents gave their personal opinion that Mandalay should have stable power supply and reduce the blackout percentage for the business operations.

Respectively, 48% respondents strongly agreed to support good public transportation system, 56% of respondents pointed out to develop well trained staffs in the hospitality industry, and 65% respondents strongly agreed to have proper framework to do business in Mandalay. Above all, nearly 87% of respondents gave their personal comments that Mandalay need to amend or improve existing old function laws and regulation which have been using since British colony government time to until today, like The Burma Companies Act, 1914, and the other dictatorship policy set up by former military junta for their property and personal security.

5.2 Relationship between economic factors and hotel occupancy rates

To discuss about the correlations of hypothesis which is the detail outcomes of this research work as the following table described about the correlations of economic factors and hotel occupancy rate, it has achieved that overall correlation relationship between economic factors including all the factors accompanied with hotel occupancy rates was $.756^{**}$ which is stronger than moderate. It has no doubt that there is significant relationship between two variables, economic factors and hotel occupancy rates in

Mandalay. Thus it rejects null hypothesis and accepts alternative hypothesis as outcome table described below;

Table 5.1: Correlations 1

		Economic factors	Hotel occupancy
Economic factors	Pearson Correlation	1	.756**
	Sig. (2-tailed)		.000
	N	200	200
Hotel occupancy	Pearson Correlation	.756**	1
	Sig. (2-tailed)	.000	
	N	200	200

** . Correlation is significant at the 0.01 level (2-tailed).

H1: As this outcome table 5.1, it was admitted that that there is a positive correlation between economic factors and hotel occupancy rates.

5.3 Relationship between legal factors and hotel occupancy rates

In this following table 5.2, legal factors are an independent factor while hotel occupancy rates are a dependent factor. As the research outcome, it was achieved that overall correlation relationship between legal factors including all the factors accompanied with hotel occupancy rates was .819** which is very strong positive relationship. This outcome shows that there is significant relationship between two variables, legal factors and hotel occupancy rates in Mandalay. Thus null hypothesis was rejected and the research accepts the alternative hypothesis.

Table 5.2: Correlations 2

		Legal factors	Hotel occupancy
Legal factors	Pearson Correlation	1	.819**
	Sig. (2-tailed)		.000
	N	200	200
Hotel occupancy	Pearson Correlation	.819**	1
	Sig. (2-tailed)	.000	
	N	200	200

** . Correlation is significant at the 0.01 level (2-tailed).

H1: As this outcome table 5.2, it was approved that there is a positive correlation between legal factors and hotel occupancy rates.

5.4 Relationship between technological factors and hotel occupancy rates

In this final correlation table 5.3, technological factor is an independent factor while hotel occupancy rates are a dependent factor. According to the research outcomes, it was achieved that overall correlation relationship between technological factors with hotel occupancy was .779** which is stronger than moderate. This table also shows that there is significant relationship between two variables, technological factors and hotel occupancy rates in Mandalay. Thus null hypothesis was rejected and the research accepts alternative hypothesis.

Table 5.3: Correlations 3

		Technological factors	Hotel occupancy
Technological factors	Pearson Correlation	1	.779**
	Sig. (2-tailed)		.000
	N	200	200
Hotel occupancy	Pearson Correlation	.779**	1
	Sig. (2-tailed)	.000	
	N	200	200

** . Correlation is significant at the 0.01 level (2-tailed).

H1: As this outcome table 5.3, it shows that there is a positive correlation between technological factors and hotel occupancy rates.

5.5 Limitations

While conducting and collecting the data information for this research work, there were many limitations suffered the researcher as follows;

- The first limitation was to collect proper and valid information from the respondents visiting and staying at hotels in Mandalay. It was not because of respondents' unwilling to participate the questionnaires but because of hotel operators who were very scare to touch with such an academic questionnaire.
- The second constraints in this research paper was getting approval from hotels staffs and getting information from customers as staff authority at various occasions didn't allow to seek for information as

it was invading the privacy of information and confidentiality. As experience, some of the hotel strongly refused to allow distributing the questionnaires to their guests.

- The third limitation in this state was to collect and look for research work done in this field as it was very limited.
- The fourth limitation was that Mandalay has very limited visitors. As mentioned in the chapter three, it has average only 3,000 visitors per month. Consequently, it was very difficult to implement research information within specific time frame. On account of that, the questionnaire sample size was restricted to 200 only.
- Finally, the limitation of technology was meant to this research a lot as Mandalay government and hoteliers do not have reliable internet website. They have zero activity to update the market, even the Ministry of Hotel and Tourism absented to update the information on their official website since one and half years go.

5.6 Conclusion

This research paper will be beneficial for researchers and other officials to look into some serious concerns in Mandalay and try to improve it so that there will be a booming hotel and tourism business. As a matter of fact, with a crucial political reforms initiated from November 2010 and the personal influence of Myanmar political idol, the relationship between Myanmar and other global countries has been improved in very positive way. Along side with those positive changes and openness which helps to reconnect with Myanmar and other parts of the world, the researcher has no

doubt that the practice of economic, legal and technological factors will be improved in hospitality industry if the management body and policy maker are ready to adapt their un-sequenced policy to practicable and sustainable policy. As a requital of having practical policy, more visitors will come in large numbers to political and cultural center of Myanmar, Mandalay and that will assist Mandalay to increase hotel occupancy rates consistently.

Moreover, the major areas in economic factors such as infrastructure, stability of electricity supply, quality of accommodation, roads, transportation system should need to be much improved. In legal factors, old function rules and regulations are need to be updated, nay, much improved in land price regulation, foreign company expansion process, and permission for international airlines to start their route to Mandalay.

Lastly, the technological factors such as update information for tourism sector, convenience visa process, improvement in telecommunication and internet facilities, electronic banking system and giving tourism awareness information are much needed to be improved as because if all these factors improve, the hotel occupancy rates will definitely improve and at the same time it will give more employment opportunities, stronger currency exchange, local sense of security and safe place for all to visit Mandalay.

These above factors will also increase the chance to boost up the volunteer tourism, ecotourism and cultural tourism as well and it will also pave the way to Mandalay to promote its local culture, foods and products to the global society in effective manner.

5.7 Recommendation for future research

As of much limitation describe above, this research work could provide only general information about hotel occupancy rates in Mandalay, correlating with current economic factors, legal factors and technological factors as variables. If further researcher could discover more different variables such as economic sustainability, political sustainability, environment sustainability and tourism development, it would be more beneficial for the improvement of society.

Moreover, future researcher should also look for some other remote areas like Kachin State, Chin State, Shan State and Rakhine State to investigate about hotel and tourism industries in Myanmar which provide the hotel and tourism industries to take advantage and improve the standard and hotel occupancy rates in different remote areas.

Furthermore, it would be more reliable if the sample size of questionnaires could be distributed in large number and covered in large picture with bigger population and demographic structure.

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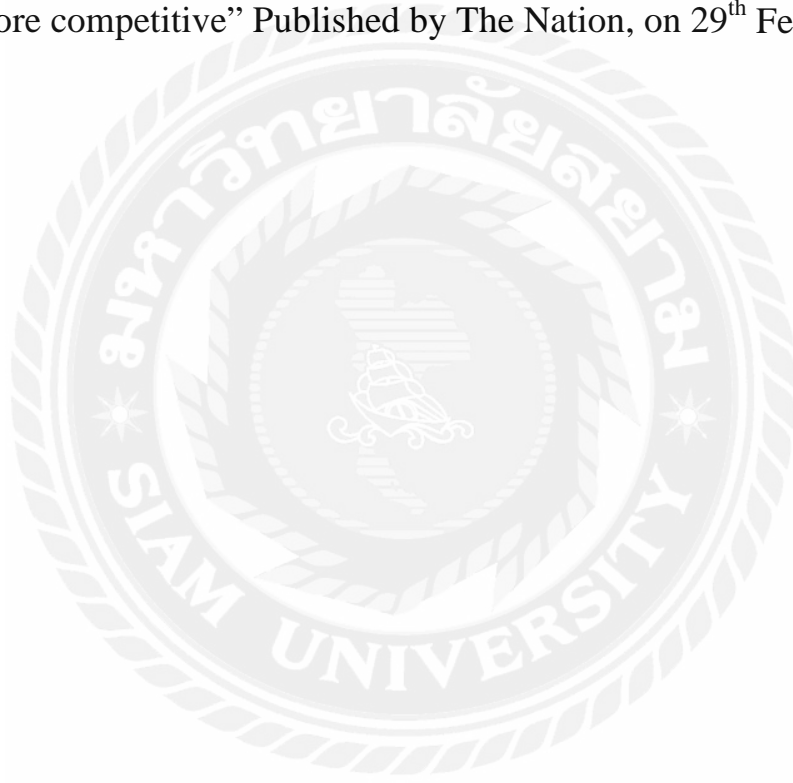
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Survey on: “An Analysis of Economic, Legal and Technological Factors Affecting Hotel Occupancy Rates in Mandalay, Myanmar”

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This research work is to be partially fulfilled the requirement for the degree of Master of Business Administration instituted at **Siam University, Bangkok, Thailand.**

Supervisor: DR. VIJIT SUPINIT

(Dean of Faculty of Master of Business Administration, Siam University)

Dear Visitor,

At present I'm conducting the data regarding the title of “An Analysis of Economic, Legal and Technological factors affecting Hotel Occupancy Rates in Mandalay, Myanmar” for academic purpose which will be evaluated for my MBA thesis at Graduate School of Business, Siam University. The questionnaires are arranged to analyze the related factors in academic way which can contribute the positive changes to Mandalay's hotel occupancy rates and hospitality industry.

Accordingly, please kindly let me have your feedback by answering per questionnaires categorized in the next page. I guarantee that this academic survey research will not be related to other business purpose, nor included any personal data of respondents.

Criticism and feedback are highly welcome.

Part 1: Personal details of respondents

1. **Name of the respondent:**

2. **Gender:**

Male Female

3. **Age:**

18 - 25 26 - 30 31 - 50 51 or older

4. **Nationality:**

5. **Purpose of visit:**

- Investment
- Meeting family or friends
- Business
- Tour
- Others

6. **Salary Range:**

- Below 20,000 USD
- 20,000 – 50,000 USD
- 50,000 – 100,000 USD
- More than 100,000 USD

7. Occupation:

- Government official
- Owner of business/company
- Employee
- Student
- Other

8. Number of times visit

- 1 Time
- 2 Times
- 3 Times
- 4 Times
- More than 4 times

Part 2: General Statements on Economic factors

9. I feel that the Mandalay needs much improvement in developing roads.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

10. I feel that the Mandalay needs to provide 24-hour money exchange services with positive exchange rate.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

11. I feel that the Mandalay needs to solve the Civil war as earliest.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

12. I feel that the Mandalay needs good infrastructure for the hotel and tourism business.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

13. I feel that the Mandalay needs to provide more well trained hotel staffs and employment opportunities.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

14. I feel that the Mandalay needs to introduce more airlines services and international standard facilities and operation system.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

15. I feel that the Mandalay needs to promote its national heritage zones and ancient Buddhist institutions to have highly tourist attractions.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

16. I feel that the Mandalay needs to be more competitive hotel prices.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Part 3: General Statements on Legal factors

17. I feel that the Mandalay needs incentives in tax relief, tax benefits for new business and encouragement in FDI

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

18. I feel that the Mandalay needs certain hotel licensing rules and regulations.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

19. I feel that the Mandalay needs to practice reasonable land price and certain land lease regulations for hotel business operation.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

20. I feel that the Mandalay government should stop using dictatorship policy.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

21. I feel that the Mandalay needs proper framework of opening a business.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

22. I feel that the Mandalay regional government should have certain long term strategic plan for hotel and tourism development.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

23. I feel that the Mandalay needs standard star rating system and quality control policy to hotels.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

24. I feel that the Mandalay should not practice hotel price discrimination between foreigners and locals.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Part 4: General Statements on Technological factors

25. I feel that the Mandalay needs little improvement in visa process.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

26. I feel that the Mandalay should improve the internet speed connectivity.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

27. I feel that the Mandalay needs good public transportation service and tourist information desks at any prominent areas.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

28. I feel that the Mandalay needs to improve telephone connection facilities.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

29. I feel that the Mandalay should reach out to remote areas for telecommunication.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

30. I feel that the Mandalay needs “Tourism Safety and Security Standards Division” to provide alert, advice and tourism-related information to help keep tourists safe.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

31. I feel that the Mandalay needs to develop electronic banking service and payment system.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Additional comments

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Deeply thank you for your kind participation!

Mr. Ywe Yout
(MBA student, Siam University)