

## Guideline for Creating Muslim Friendly Budget Hotels Based on Customer Needs Using Design Thinking

*Muhamad Lukman Ardiansyah<sup>1</sup>*

*Bussagorn Leejoeiwara<sup>2</sup>*

### Abstract

Increasing number of Muslim tourists, including Indonesians, traveling to Thailand especially Bangkok, along with Thailand national policy to become Muslim friendly tourism destination, presented opportunities for hotels and services to target the specific needs of the Muslim tourists. Understanding customer needs in order to create a satisfied customer experience is crucial for success, especially for budget hotels, where cost-efficiency and value for money is most concerned. This study aims to 1) study insight on the needs of Indonesian Muslim tourists based on experience staying in budget hotels in Bangkok, Thailand, using Design Thinking process, and 2) propose guideline for developing value proposition of budget hotels based on the needs of Muslim tourists. The study is qualitative action research, employing the Design Thinking process by using semi-structured interviews to collect data from samples of 10 participants, who are Indonesian Muslim having experience staying in budget hotel in Bangkok, selected using purposive sampling technique. It was found

---

<sup>1</sup> College of Graduate Study in Management, Khon Kaen University

<sup>2</sup> College of Graduate Study in Management, Khon Kaen University.

that factors include affordable price, comfortable rooms and common areas, Muslim-friendly accommodation with inclusive facilities, culturally/religiously sensitive staff, a variety of halal food options and Thai halal snacks included in the room rate, dedicated prayer rooms and prayer equipment/facilities, the availability of room utilities, Muslim-friendly travel information, and clean rooms with gender-separated floors. The guideline for budget hotels to develop value propositions based on the needs of customers were then proposed into Value Proposition Canvas. Based on this study, budget hotels can gain more understanding of Indonesian Muslim customer needs and be able to improve customer experience and satisfaction by meeting specific needs of these customer segment, thereby becoming Muslim friendly budget hotels.

**Keywords:** Muslim-Friendly, Customer Experience, Design Thinking, Budget Hotels, Indonesian Muslim Tourists

## Introduction

Thailand, although primarily a Buddhist country, has taken steps to become more accommodating and receptive to Muslim tourists by implementing various policies and initiatives that cater to their needs. In tourism and hospitality industry, the implementation of Muslim-friendly policies has contributed to the increase in the number of Muslim tourists visiting Thailand. According to the Tourism Authority of Thailand, the number of Muslim tourists to Thailand has been growing steadily over the years, with an estimated 5.6 million Muslim tourists in 2019. According to the MasterCard-Crescent Rating Global Muslim Travel Index 2022, Thailand is the fourth most popular non-Muslim country among Muslim tourists (Abhasakun, 2023). One of the countries that contributes a significant number of Muslim tourists to Thailand is Indonesia. This is because Thailand is a popular destination for Indonesian Muslim tourists to visit (David, Lestari, Astuti, & Asiah, 2019)

Muslim tourists are known to be budget-conscious when it comes to their travel expenses. As interpreted in the Quran in Surah Al-Isra 26-27, there is a prohibition against being wasteful for a Muslim. Therefore, it is advisable to always remember these principles when traveling and manage expenses wisely (Kurniawan, 2022). As a result, there are Muslim tourists who choose to stay in budget hotels during their trips. Budget hotels usually focus on providing guest rooms as their primary or only product. These hotels offer affordable prices, standard amenities, and limited services (Li et al, 2023). Budget hotels play a vital role in accommodating Muslim youth and low-budget tourists who are price conscious, as there is an increasing trend of Muslims traveling across overseas (Bastaman, Hassan, Ekasari, & Yodfiatinda, 2022).

In Thailand, the turnover rate of hotels increased from 25.02 % in 2006 to 44.5% in 2012 (Ministry of Labor, 2013). Based on a 2019 report by STR, a global hospitality data and analytics company has showed a significant proportion of Bangkok's hotel inventory consists of budget hotels, accounting for 36.9% of the city's total hotel market (JLL, 2020). This suggests that there are a significant number of budget hotels in Bangkok. According to the Thailand Hotel Association, there are 694 budget hotels in Bangkok. Agoda, a website for booking hotels, has listed 1820 hotels in Bangkok, 716 of which are budget hotels (Xie, 2020).

All hotels, including budget hotels, offer various facilities and services that differ from one another. In order to enhance customer satisfaction and gain a competitive advantage in the marketplace, budget hotels need to pay attention to facility and service quality (Khalifa & El-Masry, 2017). A study in hospitality industry revealed that service quality has positive relation with customer satisfaction (Ali et al., 2021). A few of the key elements that have a big impact on tourist satisfaction within specific constructions

include the budget hotel's location, cleanliness, maintenance, comfort level, hotel personnel service, value for money room rates, and food and beverage values (Samy, 2016). Conversely, when the hotel staff can provide the appropriate services to their guests, the guests are likely to have a positive experience and may consider returning in the future (Sultan, Ahmed, Jafar, Murtaza, & Gardi, 2020). Thus, hotels can improve the customer experience by allocating resources towards high-quality facilities and services (Sîrbu, Nistor, & Vasilică, 2020).

Meanwhile, to improve the customer experience for Muslim tourists, budget hotels must fulfill their needs based on their values and beliefs. Muslim tourists prioritize hotels with features like ablution facilities, wet toilets, modestly dressed staff, and no pork or alcohol. Budget hotels can meet the needs of Muslim tourists with minimal services. As budget hotels have limited space, they typically do not offer alcohol, disco or pub, or late-night entertainment that goes against their beliefs, aligning with standard Sharia principles (Bastaman et al., 2022). Then, it is necessary to design services at budget hotels that can meet the needs and improve the experience of Muslim tourists. However, this research will specifically focus on the experience of Indonesian Muslim tourists regarding budget hotels in Bangkok. This is because there are differences in cultural backgrounds, values, and beliefs between consumers from one country and the country they visit. Furthermore, analyzing customer experience of the budget hotel sector is still rarely explored compared to other types of hotels and comprehending the customer experience in budget hotels is a crucial factor in achieving market dominance.

Therefore, the design thinking approach can be implemented to address the gap in this problem. Design thinking provides a way for businesses and researchers to create innovative, customer-focused business

ideas and solutions to human problems (Lub, Rijnders, Caceres, & Bosman, 2016). Thus, this research contributes both to academic and business. The research may be useful to gain a deeper understanding of the needs of Muslim tourists in terms of services provided in budget hotels. Moreover, the results of this research can be used as a reference to enhance customer experience by developing budget hotel service concepts that cater to the demands of Muslim tourists

### **Research Objective**

The objectives of this study including to study insight on the needs of Indonesian Muslim tourists based on experience staying in budget hotels in Bangkok, Thailand, using Design Thinking process and to propose guideline for developing value proposition of budget hotels based on the needs of Muslim tourists.

### **Literature Review**

#### **1. Customer Experience in Hospitality Industry**

A consumer experience is the multidimensional takeaway perception or result generated from people's interactions with products, services, and businesses. Typically, this outcome takes the shape of a positive emotional or cognitive encounter (Lewis & Chambers, 1989). The customer experience refers to the personal and subjective reaction that customers have towards any form of direct or indirect interaction with a company (Meyer & Schwager, 2007).

There is a prevalent view that the fundamental factors of consumer experiences are the atmospheric stimuli, which consist of both the physical environment and human interactions (Ritchie & Hudson, 2009).

Personal factors such as willingness and abilities to engage in an experience are also crucial dimensions that impact consumer experience management, and controlling these factors is essential in positioning and branding strategies for hotels and tourism organizations (Alcántara-Alcover, Artacho-Ramírez, Martínez-Guillamón, & Campos-Soriano, 2013).

In hospitality sectors, there are three fundamental dimensions that play a vital role in shaping customer experience: interaction, physical environment, and outcome quality. The value or price construct serves as a moderating factor between service quality and customer satisfaction (Clemes, Gan, & Ren, 2011). Furthermore, the tangible and sensory aspect of the customer experience was the main factor that affected consumer satisfaction. Also, hotel room attributes like cleanliness, quietness, comfortable shower, room temperature, and odorless environment are crucial. Additionally, staff attitude, hotel aesthetics, and location are also significant for budget hotel customers (Ren, Qiu, Wang, & Lin, 2015).

## **2. Budget Hotels**

The concept of budget hotels was initially introduced in the 1950s in the United States, and presently, they have evolved into a well-established category of hotels in Europe and America (Yu, 2012). Budget hotels prioritize affordability over luxury by limiting facilities and services to offer lower prices to price-sensitive customers. The term “budget” refers to the cost and value, and customers prioritize comfortable sleep and basic breakfast over sophistication (Bastaman, et al., 2022). Budget hotels can be referred to by various alternative names, including limited-service hotels, no-frills hotels, and economy lodgings (Samy, 2016). Budget hotels offer modern accommodation with limited services at a lower cost, comparable to 3-4-star hotels (Gilbert & Lockwood, 1990).

A budget hotel can be defined as economically focused, small in size, offers few facilities. Also, this of type hotels are reasonably priced and attractively decorated (Xie, 2020). Budget hotels are typically found in areas with high human traffic, such as major thoroughfares, airports, and bustling city centers. Customers of budget hotels come from all market segments and socioeconomic groups (Fiorentino, 1995). Budget hotels usually focus on providing guest rooms as their primary or only product. These hotels offer affordable prices, standard amenities, and limited services (Li et al., 2023). The most critical factors of budget hotel services were identified by industry experts, government officials, and hotel investors, which include guest safety and security, comfortable bedrooms, hygiene and cleanliness, convenient location, and prompt guest service (Hua, Chan, & Mao, 2009).

### **3. Design Thinking and Value Proposition Design**

Design thinking can be understood as an approach to creative problem-solving that involves a systematic and collaborative method for identifying and solving problems in a creative manner. Further, design thinking is most effective in scenarios where the problem or opportunity is unclear or when a revolutionary concept or idea is necessary to have a considerable and beneficial effect such as introducing a new market or driving substantial revenue growth. Various design thinking methods have been successfully applied in business contexts for new business development, designing business models, and enhancing processes (Luchs, Swan, & Griffin, 2015). Besides, design thinking is a collection of various tools and frameworks that address the multi-disciplinary aspects of human experiences (Kleber & Volkova, 2018). In hospitality and tourism context, design thinking provides fresh perspectives and serves as a beneficial alternative to current future scenarios methods (Lub et al., 2016). Design thinking can be applied in the hospitality industry through various ways, such

as the design of rooms or public spaces, the creation of boutique hotels, and the adoption of service design. Furthermore, customers seek consistency in services, which has led to the development of brand promises by suppliers (Pamfilie & Croitoru, 2018).

Design Thinking is a framework that assists in creating product value by addressing the needs of consumers. This involves comprehensively understanding the problem and the consumer's needs before generating innovative ideas. To make the value of the product or service, there are 5 steps to solving the problem: 1) Understanding the target audience or users (Empathize), 2) Setting up a problem framework (Define), 3) Brainstorming (Ideate), 4) Prototyping, 5) Product Testing (Test) (Hasso Platter Institute of Design, 2010). One visual tool that can help in analyzing businesses and designing products or services that create value for their customers is through Product Value Creation Diagrams or Value Propositions Canvas (VPC). This tool consists of two parts, namely customer segment (customer profile) and value proposition. In the customer profile part, it describes the desired values or expectations from the customer towards a product or service. Then, this part is divided into three segments such as customer jobs (What do customers need to do?), pains (What customers dislike?), and gains (What consumers expect will be received from the product or service?). Meanwhile, in the value proposition section, it shows the value of products and services that can help meet the needs and bring an offer to customers with a value that is superior to the competition. There are three components in the value proposition, namely the product or service, pain relievers (to the offerings, either products or services, that specifically target and alleviate the pain points and challenges faced by customers), and gain creators (to the offerings that provide benefits and fulfill the needs of customers) (Osterwalder, Pigneur, Bernarda, & Smith, 2014).

#### 4. Conceptual Framework

This study examines customer experiences including customer characteristics, length of stay, willing to pay, and accommodation and travel needs. Moreover, the study will conduct design thinking process which consists of five stages such as empathize, define, ideate, prototype, and test. Finally, the study will develop value proposition canvas for Muslim-friendly budget hotels. Therefore, the researchers have defined the research framework shown in Figure 1.

#### Research Methodology

The study is a qualitative action research with Design Thinking process as procedure to form Indonesian Muslim tourists who have experience staying in budget hotel in Bangkok, Thailand, and live in DKI Jakarta Province, Republic of Indonesia. This study was conducted in post-COVID-19 conditions where Thailand had revoked its self-quarantine policy for international tourists. This research is a flexible methodological approach that does not have strict rules regarding the number of participants that need to be selected in advance. Besides, researchers can select from one to twenty samples, which may vary based on the depth of information required and the nature of the investigation (Subedi, 2021). In the same line, there are no fixed rules regarding the number of interviews needed in qualitative research to reach data saturation (Polit & Beck, 2008). This is supported by Boddy (2016), who suggested that instead of using larger samples in in-depth qualitative research, a single case can be highly instructive in gathering information. The study is a qualitative action research, employing the Design Thinking process by using semi-structured interviews to collect data from samples of 10 participants, who are Indonesian Muslim having experience staying in budget hotels in Bangkok. In order to provide

valuable feedback and be able to offer different perspectives and insights, participants at the Empathy stage and Prototype Testing stage come from different groups. The participants are selected based on characteristics relevant to the research objective, using the non-probability sampling method by purposive sampling technique. Data collection and analysis were performed based on design thinking process as following:

1. Gaining an understanding of target customer needs (Empathy).

At this stage, 5 participants will be interviewed using open-ended questions in a semi-structured interview format. The questions were developed based on the Value Proposition Canvas (VPC), which includes the customer segment that consists of the job-to-be-done, pains, and gains related to staying in budget hotels in Bangkok

2. Define the problem (Define)

Information obtained from the interview results will then be analyzed and defined using content analysis. Results are grouped into Customer Segment (Job-to-be-done, Pains, and Gains)

3. Generate ideas to design solution to address target customers' needs. (Ideate)

Based on the analysis conducted in the define stage, the researchers generate solutions to address the job-to-be-done, pains, and gains as Value Proposition (Gain Creators, Pain Relievers, Products & Services) These are then presented in the Value Proposition Canvas to determine Fit.

4. Prototyping (Prototype)

Based on the Value Proposition Canvas, the prototype will be developed to test the proposed Value Proposition to address the needs specified in the Customer Segment.

### 5. Product or Service testing (Test)

The research will then conduct the Prototype testing with samples of target customers (5 participants) to obtain feedback. Subsequently, a final VPC will be developed as guideline for budget hotels in Bangkok to improve products and services designed based on the specific needs of target customer group i.e. Muslim tourists.

## Results

As shown in Table 1 that the characteristic of 10 participants who were involved in the qualitative interviews conducted using a purposive sampling technique, the results indicated that there were four male participants and six female participants, with ages ranging from 22 to 51 years. Regarding the length of stay and willingness to pay, the results revealed that most participants had experienced staying in budget hotels in Bangkok for 1-2 times, length of stay were 3 days, and willing to pay for budget hotels in Bangkok within the range of Rp301,000 to Rp400,000.

### 1. Empathy

Furthermore, Table 2 described the results of the customer segment which includes job-to-be-done, pains, and gains. In the job-to-be-done section, participants expressed the need to find accommodation that aligns with Muslim values and beliefs. Further, participants mentioned the need to seek comfortable and safe accommodation and the need to stay in affordable accommodation.

In the pains section, Indonesian Muslim tourists expressed the problems they faced while staying in budget hotels in Bangkok. The result found that participants revealed that an additional cost for the halal breakfast or budget hotel prices that did not include meal. Also, participants expressed that the room is too narrow or insufficient room space for prayer. Additionally, participants experienced discomfort due to the lack of cleanliness and safety.

In the gains section, participants expressed their expectations for budget hotels to provide equipment and facilities for pray activities. Moreover, participants emphasized the importance of budget hotels being situated in strategic locations and the comfortable room accommodations.

## 2. Define

From the interview results, the researchers conducted an analysis regarding the customer segment and found several similarities in the characteristics or needs of the participants towards budget hotels, which can be seen in the VPC. In Figure 2 indicates that in the job-to-be-done session, the participants have the same focus on seeking accommodations that aligned with Muslim values and finding comfortable, safe, and affordable accommodations. In the pains section, the participants expressed their concerns about an additional cost for the halal breakfast, the room is too narrow, and not comfortable to stay. Lastly, in the gains section, the participants highlighted the importance of providing equipment and facilities for prayer, strategic location, and comfortable room.

## 3. Ideate

Based on the results obtained, solutions were mapped out in the VPC, as illustrated in Figure 2. In value preposition, there are three sections, namely product and service, pain relievers, and gain creators. In the product and service section, budget hotels in Bangkok can provide Muslim friendly accommodation and services.

Moreover, to relieve the pain points Indonesian Muslim tourists have, budget hotels in Bangkok can provide affordable rates that encompass a halal breakfast or accommodation prices include meals. Furthermore, budget hotels can accommodate Muslim tourists by allowing them to pray in unoccupied rooms if the booked room does not provide enough space or is too narrow. Additionally, budget hotels should offer a comfortable

experience, starting from cleanliness and safety factors, equipped with amenities such as air conditioning (AC), CCTV, locker, and trash cans in every room.

In terms of gain creators, budget hotels may furnish amenities for prayer, such as prayer mats and a sign qibla direction (the direction of the Kaaba in Mecca). Budget hotels also can ensure that the toilets are equipped with water for cleansing purposes and the rooms are kept clean and free from impurities (Najis).

#### 4. Prototype

In the fourth stage, prototypes can be created by leveraging the data collected from the ideate process, as reflected in the VPC. In this study, prototypes were designed through a brochure that presents information about a budget hotel in Bangkok with detailed information based on data collected during the Empathy, Define, and Ideate stages as presented in Figure 3.

#### 5. Test

In the test stage, the brochure (prototype) was then presented to participants one by one to collect feedback.

Table 3 illustrates the results of the prototype test, focusing on the job-to-be-done, pains, and gains section. In the job-to-be-done part, participants expressed their desire to stay in Muslim-friendly, affordable, and comfortable accommodations. Moreover, they highlighted the importance of finding accommodations that respect cultural and religious sensitivity.

In the pains section, participants mentioned limited halal food options, the absence of unoccupied rooms for prayer, and the lack of room utilities. With regards to expectations in the gains section, it was found that participants wanted the budget hotels to provide access to Muslim-friendly information, offer free halal snacks, and the floors separated by gender.

Based on the results, the researcher then returned to the ideate stage and made improvement on value proposition design including product and service, pain creators, and gain creators as in VPC Final (Figure 4). To better meet the needs and satisfied customer experience, budget hotels in Bangkok can offer product and services that are Muslim-friendly accommodation with affordable, comfortable, equipped with inclusive facilities (for prayer, safety, cleanness), and staffed with individuals trained in cultural and religious sensitivity.

The product and service should address pain points by offering various halal food options included in the room rate, providing dedicated prayer rooms, and ensuring the availability of room utilities such as a hairdryer, clothes hangers, mirror, prayer mat, Qibla directions, and others related to Muslim tourists' needs. For gain creators, budget hotels can provide pamphlets containing information ranging from tourist destinations, mosques, halal shops, Muslim community areas, to public transportation. Moreover, offering free Thai halal snacks and providing amenities for prayer can be a valuable addition. Additionally, maintaining cleanliness in rooms and implementing gender separation on different floors, except for married couples or families, can also be considered to enhance the customer experience.

## Conclusion and Discussion

Based on the results, the researchers concluded that four males and six females with an age range of 22 to 51 years had the experience of staying in budget hotels in Bangkok on an average of 1-2 times and a length of stay of 3 days. In line with a finding that stated tourists had an intent to stay in hostels in Bangkok for less than one week (Udomcharoenchaikit, 2018). Further, most Indonesian Muslim tourists were willing to pay between

Rp301,000 and Rp400,000 for budget hotels in Bangkok. As stated Lunkam (2019), that the average budget hotel price in Bangkok per night ranges from 15 GBP to 28 GBP, or approximately Rp280,000 to Rp500,000.

The study revealed that Indonesian Muslim tourists had specific requirements for their accommodation regarding to job-to-be-done. First, they were searching for budget hotel options that aligned with Muslim values. Muslim-friendly accommodation encompasses services that strive to fulfill the requirements and preferences of guests, aligning with the principles of Islam. Likewise, Muslim tourists are often concerned about whether the hotel is capable of accommodating their halal lifestyle and is Muslim-friendly (Bastaman et al., 2022) and customers will be satisfied if they experience this kind of service (Abror, Wardi, Trinanda, & Patrisia, 2019). Second, Indonesian Muslim tourists are specifically seeking budget hotels that provide both comfort and safety. Comfortable refers to hygiene and cleanliness standards in budget hotels. These factors are important in purchasing decisions and can increase consumer satisfaction with budget hotels. This is also seen as a competitive advantage for new budget hotels over traditional mid-range or low-end hotels (Chan & Wong, 2006; Hua et al., 2009; Muhammad & Karim, 2018). Third, Indonesian Muslim tourists are highly interested in finding budget hotels that offer affordable rates. Budget hotels are known for providing cheaper rates while offering standard amenities and limited services (Bastaman, et al., 2022; Samy, 2016; Gilbert & Lockwood, 1990; Xie, 2020; Li et al., 2023) Indeed, offering cheaper packages with added benefits can be an effective strategy to attract more tourists in the hospitality industry (Li, Law, Vu, & Rong, 2013). Additionally, low-cost lodging options have the potential to create a memorable experience and leave a lasting impression on tourists (Raynard & Sutanto 2022).

Meanwhile, in the pains section, Indonesian Muslim tourists were dissatisfied with budget hotel prices that did not include halal meals. For Muslim tourists, the food offered by a hotel, especially halal food, is given priority (Mohsin, Ramli, & Alkhulayfi, 2016; Vargas-Sánchez & Moral-Moral, 2019; Zainol & Mustafa, 2021). Indonesian Muslim tourists also expressed that the room is too narrow or insufficient room space for prayer. Due to the obligation of prayer (Salat) for Muslims, a prayer room must be available within the hotel buildings (Idris & Wahab, 2015). Furthermore, Indonesian Muslim tourists experienced discomfort due to the lack of cleanliness and safety. The cleanliness of accommodation and safety and security are identified as the top attributes for tourists when choosing a hotel (Atkinson, 1988). Next, Indonesian Muslim tourists expect budget hotels to provide equipment and facilities for pray activities and comfortable room. Not only that, they desire budget hotels with strategic locations. Hotel location, which includes accessibility to public transportation, is one of the key factors that customers consider before making a booking decision online (Ren et al., 2015).

Based on the prototype testing, the researchers discovered that Indonesian Muslim tourists have a keen interest in staying at Muslim-friendly accommodations that are affordable and comfortable. Additionally, they seek accommodations that respect cultural and religious sensitivities. However, Indonesian Muslim tourists expressed dissatisfaction with the limited variety of halal food options that were not included in the hotel's price. Asian Muslim tourists desire a unique experience such as trying out a variety and freshness of halal food (Samori & Sabtu, 2014). They also expressed concerns about the lack of a designated prayer area and the insufficient room amenities. Budget hotels that cannot meet Muslim tourists' needs at least offer the bare necessities, such as halal meals, prayer spaces and equipment, ablution

facilities, and sufficient clean (Suci, Junaidi, Nanda, Kadaryanto, & van FC, 2021).

Furthermore, the Indonesian Muslim tourists expressed expectation for budget hotels to offer access to Muslim-friendly information. Having easy and abundant access to information is crucial for Muslim tourists as it affects their decision-making process regarding whether the destination is Muslim-friendly (Kurniawan & Jatmika, 2021). The complimentary halal snacks can be an added value to enhance the Muslim tourist's experience based on the key informant's expectations towards the budget hotel prototype. As described by Bastaman et al. (2022), one of the characteristics of budget hotels in terms of size and diversity is the provision of a small snack bar. Therefore, it is important to ensure the halal status of the items offered at the small snack bar for Muslim tourists, which means they should not contain pork and alcohol. Another desire mentioned towards budget hotels is the separation of floors based on gender. Male and female tourists (except for married couples or those traveling with their families) should be accommodated on separate floors (Rahmiati & Fajarsari, 2020; Samori & Sabtu, 2014).

In this study, the VPC tool identified certain factors that budget hotels in Bangkok can focus on to improve the customer experience of Indonesian Muslim tourists. These factors include: 1) product and service, by offering affordable and comfortable Muslim-friendly accommodations with inclusive facilities and culturally/religious sensitive staff, 2) pain relivers, by offering various halal food options included in the room rate, providing dedicated prayer rooms, and ensuring the availability of room utilities, 3) gain creators, providing Muslim-friendly travel information pamphlet, offering Thai halal snacks and amenities for prayer, and ensuring clean rooms with gender-separated floors. By considering these factors, budget hotels in

Bangkok can effectively cater to the needs and expectations of Indonesian Muslim tourists, ultimately enhancing their overall customer experience. Our research objective is to design service concepts for budget hotels in Bangkok that fulfill the needs of Indonesian Muslim tourists regarding to improve customer experience through the application of Design Thinking. As described Redante, de Medeiros, Vidor, Cruz, & Ribeiro (2019), design thinking fosters the advancement of processes, innovative thinking, and convenience in establishing businesses. It is also a crucial approach that facilitates brainstorming and the creation of new possibilities or the exploration of new directions, leading to a transformative world.

### **Suggestions**

From the study results, the authors suggest that budget hotels targeting Muslim tourists should adopt the design thinking model. By implementing this model, budget hotels can better understand the fundamental needs of Muslim tourists during their stay, resulting in an improvement in overall experience and satisfaction. Through the design thinking process, budget hotels can identify common problems and develop solutions for Muslim tourists. Additionally, the VPC tool can help budget hotels create new service concepts, such as Muslim-friendly accommodations that cater to Muslim tourists while still being welcoming to non-Muslim guests who want to customize their stay according to Muslim values. The authors also suggest that budget hotels provide cultural sensitivity and tolerance training to their employees, such as managers or staff, as this is an important factor in improving the experience of Muslim tourists in non-Muslim countries like Bangkok, Thailand.

### **Suggestions for Future Research**

This study has certain limitations, as it focuses solely on Muslim tourists from Indonesia, which may restrict the inclusiveness of the findings. Therefore, the sample size is considered small in the study, so future researchers can add more samples to improve the reliability, adequacy of the research findings, and enhance the accuracy of generalization to a larger population. Moreover, alternative qualitative methods, such as TOWS analysis, can be utilized to identify and analyze internal and external factors that influence budget hotel operations. Additionally, conducting interviews with budget hotel personnel, including managers and staff, can provide valuable insights into their perspectives on the challenges associated with meeting the needs of Muslim tourists.

Furthermore, the Minimum Viable Product (MVP) in the prototype stage not being significantly strong in its presentation to participants. Thus, simple materials or digital tools can be used to showcase the main aspects of the budget hotel, such as room layouts, a list of Thai Halal breakfast menus, and the Thai Muslim communal area in Bangkok. In addition, this study has limitations in the comprehensive implementation of the design thinking process due to limited time and resources. Therefore, for future research, collaboration with multiple researchers can be conducted to achieve more significant results.

### **Acknowledgement**

The study was funded through a scholarship provided by Khon Kaen University in Thailand. The researchers would like to express their gratitude to the ASEAN & GMS scholarship and the College of Graduate Study in Management at Khon Kaen University for providing financial support for the research project from 2021 to 2023.

## References

- Abhasakun, Tara. (2023). **Thai Officials Seek to Promote Muslim-friendly Tourism**. Retrieved May 20, 2023, from <https://thethaiger.com/hot-news/tourism/thai-officials-seek-to-promote-muslim-friendly-tourism>
- Abror, A., Wardi, Y., Trinanda, O., & Patrisia, D. (2019). The Impact of Halal Tourism, Customer Engagement on Satisfaction: Moderating Effect of Religiosity. **Asia Pacific Journal of Tourism Research**, 24(7), 633-643.
- Alcántara-Alcover, E., Artacho-Ramírez, M. Á., Martínez-Guillamón, N., & Campos-Soriano, N. (2013). Purpose of Stay and Willingness to Stay as Dimensions to Identify and Evaluate Hotel Experiences. **International Journal of Hospitality Management**, 33, 357-365.
- Ali, B. J., Gardi, B., Othman, B. J., Ahmed, S. A., Ismael, N. B., Hamza, P. A., et al. (2021). Hotel Service Quality: **The Impact of Service Quality on Customer Satisfaction in Hospitality**. **International Journal of Engineering, Business and Management**, 5(3). 14-28.
- Atkinson, A. (1988). Answering The Eternal Question: What Does The Customer Want. **Cornell Hotel and Restaurant Administration Quarterly**, 29(2), 12-14.
- Bastaman, A., Hassan, F. H., Ekasari, A., & Yodfiatfinda, Y. (2022). Adopting Conventional Budget Hotels into Muslim-Friendly Budget Hotels: An Exploratory Analysis. **Jurnal Ekonomi**, 11(03), 163-168.
- Boddy, C. R. (2016). Sample size for qualitative research. **Qualitative Market Research: An International Journal**, 19(4), 426-432.
- Chan, E. S. W., & Wong, S. C. K. (2006). Motivations for ISO 14001 in the Hotel Industry. **Tourism Management**, 27(3), 481-492.

- Clemes, M. D., Gan, C., & Ren, M. (2011). Synthesizing the Effects of Service Quality, Value, and Customer Satisfaction on Behavioral Intentions in the Motel Industry: An Empirical Analysis. **Journal of Hospitality & Tourism Research**, 35(4), 530-568.
- David, W., Lestari, W. S., Astuti, R. M., & Asiah, N. (2019). Indonesian Tourist Perception toward Ethnic Food in Designated Countries in Asia. **Department of Family and Consumer Sciences, Faculty of Human Ecology, IPB University**, 138, 144-154.
- Fiorentino, A. (1995). Budget Hotels: Not Just Minor Hospitality Products. **Tourism Management**, 16(6), 455–462.
- Gilbert, D. C., & Lockwood, A. (1990). Budget Hotels-the USA, France and UK Compared. **Travel & Tourism Analyst**, 3(1), 19-35.
- Hasso Platter Institute of Design. (2010). **An Introduction to Design Thinking Process Guide**. Retrieved May 15, 2023, from <https://web.stanford.edu>
- Hua, W., Chan, A., & Mao, Z. (2009). Critical Success Factors and Customer Expectation in Budget Hotel Segment - A Case Study of China. **Journal of Quality Assurance in Hospitality and Tourism**, 10(1), 59–74.
- Idris, J., & Wahab, N. A. (2015). The Competitive Advantages of Sharia-Compliant Hotel Concept in Malaysia: SWOT Analysis. In **Proceeding of the 2<sup>nd</sup> International Conference on Management and Muamalah**, 2, 200-209.
- JLL. (2020). **Thailand Hotel Market Update**. Retrieved May 7, 2023 from <https://www.jll.co.th/en/trends-and-insights/research/thailand-market-update>

- Khalifa, H. M., & El-Masry, M. A. (2017). Impact of Service and Facility Quality on Customer Satisfaction: Evidence from Budget Hotels in Egypt. **International Journal of Contemporary Hospitality Management**, 29(2), 758-779.
- Kleber, D. M. S., & Volkova, T. (2018). Key Success Factors to Increase Value Proposition in the Hospitality Industry. **PROZIMA (Productivity, Optimization and Manufacturing System Engineering)**, 2(1), 34-38.
- Kurniawan, R. R. (2022). **Konsep Mubadzir Dalam Al-Qur'an**. Sekolah Tinggi Ilmu Usluhuddin Darul Qur'an, Bogor. Center for Open Science, 1-17.
- Kurniawan, S., & Jatmika, S. (2021). Japan's Challenges on Muslim Friendly Tourism to Attract Muslim Tourists 2013-2019. **Journal of Islamic World and Politics**, 5(2), 313-325.
- Lewis, R. C., & Chambers, R. E. (1989). **Marketing Leadership in Hospitality: Foundations and practices**. 2<sup>nd</sup> ed. Pennsylvania State University: Van Nostrand Reinhold, 157.
- Li, G., Law, R., Vu, H. Q., & Rong, J. (2013). Discovering the Hotel Selection Preferences of Hong Kong Inbound Travelers Using the Choquet Integral. **Tourism Management**, 36(1), 321-330.
- Li, Z., Long, M., Huang, S., Duan, Z., Hu, Y., & Cui, R. (2023). Effects of Inertia and Switching Costs on Customer Retention: A Study of Budget Hotels in China. **International Journal of Contemporary Hospitality Management**, 35(3), 1030-1050.
- Lub, X. D., Rijnders, R., Caceres, L. N., & Bosman, J. (2016). The Future of Hotels: The Lifestyle Hub. A Design-Thinking Approach for Developing Future Hospitality Concepts. **Journal of Vacation Marketing**, 22(3), 249-264.

- Luchs, M. G., Swan, S., & Griffin, A. (2015). **Design Thinking: New Product Development Essentials from the PDMA**. 1<sup>st</sup> ed. New Jersey, USA: John Wiley & Sons, 1-12.
- Lunkam, P. (2019). **Industry Outlook 2019-2021: Hotel in Downtown Bangkok**. Krungsri Research. Retrieved May 7, 2023, from <https://www.krungsri.com/en/research/industry/industry-outlook/Services/Hotels/IO/io-hotel-in-downtown-bangkok-19>
- Ministry of Labor. (2013). **Research on Turnover Rate and Labor Demand for 2012**. Retrieved May 7, 2023, from <http://www.mol.go.th/en/anonymouse/news/31874>
- Muhammad, N. H., & Karim, K. J. A. (2018). The Significant of Online Review on Hotel Attributes Towards Customers Room Purchasing Decision: Budget Hotel. **International Journal of Modern Trends in Business Research (IJMTBR)**, 1(3), 18–28.
- Meyer, C., & Schwager, A. (2007). Understanding customer experience. **Harvard business review**, 85(2), 116.
- Mohsin, A., Ramli, N., & Alkhulayfi, B. A. (2016). Halal tourism: Emerging opportunities. **Tourism Management Perspectives**, 19(1), 137–143.
- Osterwalder, A., Pigneur, Y., Bernarda, G., & Smith, A. (2014). **Value Proposition Design**. New Jersey, USA: John Wiley & Sons, Inc.
- Pamfilie, R., & Croitoru, A. G. (2018). Better Brand Management through Design Thinking. **Amfiteatru Economic**, 20(12), 1029-1039.
- Polit, D. F., & Beck, C. T. (2008). **Nursing research: Generating and Assessing Evidence for Nursing Practice**. 8<sup>th</sup> ed. Philadelphia: Lippincott Williams & Wilkins.
- Rahmiati, F., & Fajarsari, A. R. (2020). The Role of Religiosity Mediating Islamic Attributes On Tourist Preference At Sharia-Compliance Hotel. **Jurnal Muara Ilmu Ekonomi dan Bisnis**, 4(1), 54-63.

- Raynard, D., & Sutanto, A. (2022). Menghidupkan Kembali Jalan Jaksa Dengan Jaringan Penginapan, Kuliner, Seni, Dan Ruang Kerja Bersama. **Jurnal Sains, Teknologi, Urban, Perancangan, Arsitektur (Stupa)**, 4(2), 1007-1020.
- Redante, R. C., de Medeiros, J. F., Vidor, G., Cruz, C. M. L., & Ribeiro, J. L. D. (2019). Creative Approaches and Green Product Development: Using Design Thinking to Promote Stakeholders' Engagement. **Sustainable Production and Consumption**, 19(1), 247-256.
- Ren, L., Qiu, H., Wang, P., & Lin, P. M. C. (2015). Exploring Customer Experience with Budget Hotels: Dimensionality and Satisfaction. **International Journal of Hospitality Management**, 52(1), 13-23.
- Ritchie, J. B., & Hudson, S. (2009). Understanding and Meeting The Challenges of Consumer Tourist Experience Research. **International Journal of Tourism Research**, 11(2), 111-126.
- Samori, Z., & Sabtu, N. (2014). Developing Halal Standard For Malaysian Hotel Industry: An Exploratory Study. **Procedia-Social and Behavioral Sciences**, 121, 144-157.
- Samy, H. (2016). Exploring Factors that Influence Domestic Tourists' Satisfaction with Budget Hotel Services in Egypt. **Journal of Tourism, Heritage & Services Marketing**, 2(2), 17-22.
- Sîrbu, A. M., Nistor, C., & Vasilică, I. -C. (2020). The Impact of Service Quality on Customer Experience in Upscale Hotels. **Journal of Tourism and Hospitality Management**, 8(2), 133-143.
- Subedi, K. R. (2021). Determining the Sample in Qualitative Research. **Scholars' Association of Nepal A Multidisciplinary Peer Reviewed, Open Access Journal**, 4, 1-13.

- Suci, A., Junaidi, Nanda, S. T., Kadaryanto, B., & van FC, L. L. (2021). Muslim-Friendly Assessment Tool for Hotel: How Halal Will You Serve?. **Journal of Hospitality Marketing & Management**, 30(2), 201-241.
- Sultan, K., Ahmed, R. R., Jafar, R., Murtaza, M. M., & Gardi, B. (2020). Corporate Financial Policy and Its Impact on Sustainable Capital Structure: Empirical Evidence from Textile Firms of Pakistan. **Humanities & Social Science Review**, 8(2), 149-158.
- Udomcharoenchaikit, K. (2018). **Exploring Sharing Experiences and Satisfaction During Staying with Hostels in Bangkok, Thailand**. Master of Management Thesis, the College of Management Mahidol University.
- Vargas-Sánchez, A., & Moral-Moral, M. (2019). Halal Tourism: State Of The Art. **Tourism Review**, 74(3), 385–399.
- Xie, Y. (2020). The Relationship among Marketing Mix, Loyalty of Chinese Tourists to Budget Hotel of Central Bangkok. **International Journal of Business and Economics (UTCC IJBE)**, 12(1), 123–143.12(1), 123–143.
- Yu, Y. (2012). **Factors and Customers Satisfaction of Budget Hotel Customers in China**. Master of Business Administration Thesis in International Business, University of the Thai Chamber of Commerce.
- Zainol, N. A., & Mustafa, E. (2021). Accommodation Needs and Preferences Among International Muslim Student Travelers. **Journal of Tourism, Hospitality and Environment Management**, 6(24), 01–12.

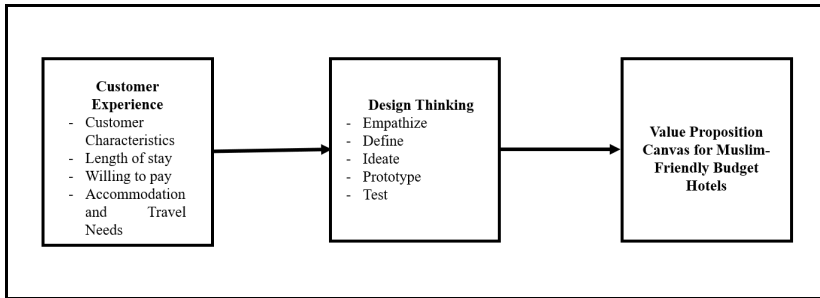


Figure 1 Conceptual Framework

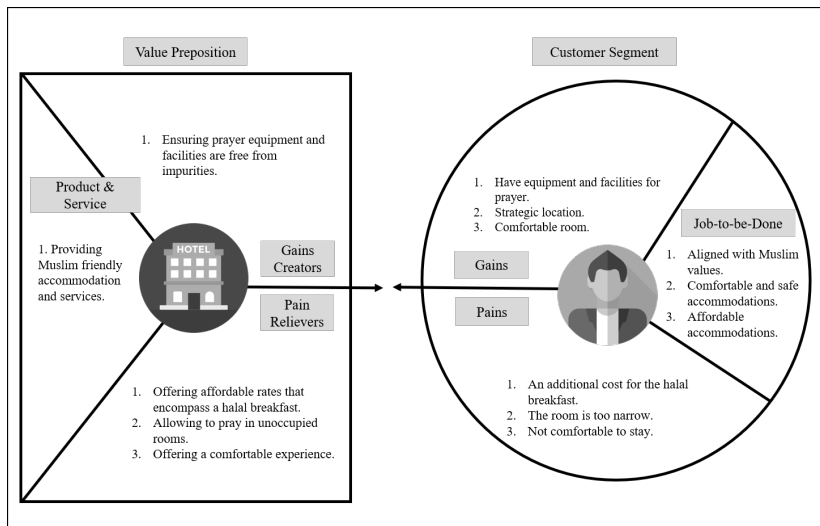


Figure 2 Value Proposition Canvas



Figure 3 Prototype of Budget Hotel Services (Brochure)

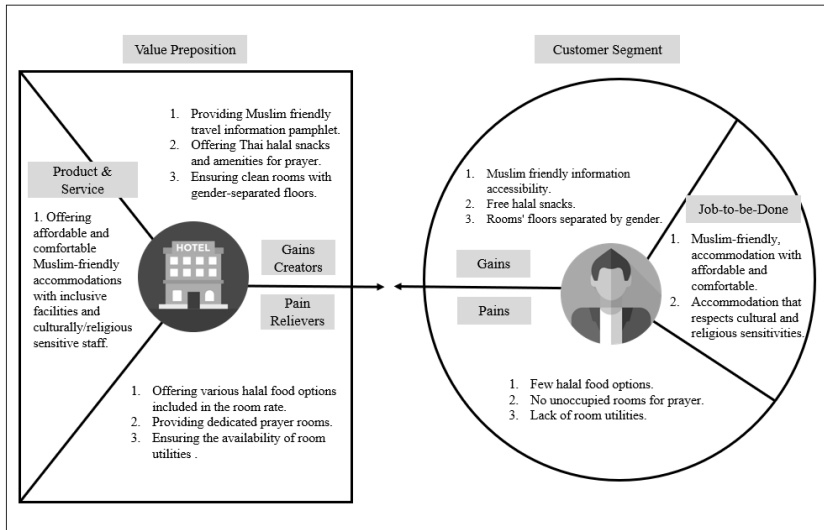


Figure 4 Value Proposition Canvas Final

Table 1 General Characteristics of the Participants

| Indonesian Muslim Tourists | General Characteristics |          |               |                  |                        | Name of budget hotels in Bangkok |
|----------------------------|-------------------------|----------|---------------|------------------|------------------------|----------------------------------|
|                            | Gender                  | Age      | Visiting Time | Length of Stay   | Willingness to Pay     |                                  |
| Key informant 1            | Male                    | 25 years | 2 times       | 3 days           | Rp101.000 to Rp200.000 | Sleep Café Hostel                |
| Key informant 2            | Male                    | 22 years | 1 time        | 2 days           | Rp201.000 to Rp300.000 | Siam Stadium Hostel              |
| Key informant 3            | Female                  | 26 years | 2 times       | 3 days           | Rp401.000 to Rp500.000 | J Two S Hostel                   |
| Key informant 4            | Female                  | 29 years | 1 time        | 2 days           | Rp201.000 to Rp300.000 | RALPH Bangkok                    |
| Key informant 5            | Female                  | 32 years | 3 times       | More than 3 days | Rp101.000 to Rp200.000 | Inn Stations Hostel              |
| Key informant 6            | Female                  | 29 years | 1 time        | 3 days           | Rp301.000 to Rp400.000 | Lub d Bangkok Siam               |
| Key informant 7            | Female                  | 27 years | 2 times       | 3 days           | Rp301.000 to Rp400.000 | Good One Poshtel & Cafe Bar      |
| Key informant 8            | Male                    | 51 years | 1 time        | More than 3 days | Rp301.000 to Rp400.000 | Nantra Sukhumvit 39              |
| Key informant 9            | Male                    | 35 years | 3 times       | 2 days           | Rp301.000 to Rp400.000 | Bed One Block Hostel             |
| Key informant 10           | Female                  | 43 years | 1 time        | More than 3 days | More than Rp500,000    | Romance Hotel Sukhumvit 97       |

Table 2 Customer Profile (Origin Version)

| Number | Job-to-be-Done                                      | Frequency |
|--------|-----------------------------------------------------|-----------|
| 1      | To find accommodation that align with Muslim values | 2         |
| 2      | To seek comfortable and safety accommodation        | 2         |
| 3      | To stay in the affordable accommodation             | 1         |
| Number | Pains                                               | Frequency |
| 1      | An additional cost for the halal breakfast          | 2         |
| 2      | The room is too narrow                              | 2         |
| 3      | Not comfortable to stay (not clean and not safe)    | 1         |
| Number | Gains                                               | Frequency |
| 1      | Have equipment and facilities for pray activities   | 3         |
| 2      | Strategic location                                  | 1         |
| 3      | Comfortable room                                    | 1         |

Tabel 3 Customer Profile (Prototype Version)

| Number | Job-to-be-Done                                                           | Frequency |
|--------|--------------------------------------------------------------------------|-----------|
| 1      | To stay in Muslim-friendly, affordable and comfortable accommodation     | 4         |
| 2      | To seek accommodation that respects cultural and religious sensitivities | 1         |
| Number | Pains                                                                    | Frequency |
| 1      | Few halal food options                                                   | 3         |
| 2      | No unoccupied rooms for prayer                                           | 1         |
| 3      | Lack of room utilities                                                   | 1         |
| Number | Gains                                                                    | Frequency |
| 1      | Muslim friendly information accessibility                                | 2         |
| 2      | Free halal snacks                                                        | 2         |
| 3      | Rooms' floors separated by gender                                        | 1         |