

Pongsak Hoontrakul Innovating Online Room Sale

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Dr. Pongsak Hoontrakul, the CEO, the founder of Morethailand.com and the financial professional gave his interview to Business newspaper Prachachat Turakij, about bringing tourism and hospitality sector up online through his website, Morethailand.com. The business has been run with the help of integrated ICT innovation as to open a new channel for online marketing, aiming to help boost SME business among Thai investors. The online marketing recently is a door to hi- tech commerce, encouraging effective room and vacation package sales, which finally meets the end customers. Additionally, this innovation also helps reduce much cost of investors.

Having finely studied about Thai hotel owners' behavior in term of business operating, the result was very surprising. It was found that almost 100 % of hotel owners in Thailand have hung their investment turnover on international travel agents. The hotels have been in contract of those international travel agents, giving them most of the hotels' bundle packages to sell, with financial credit. This practice is traditional and does no good for overall picture of Thailand's tourism industry. Therefore, turning to deal business with domestic investors who have knowledge base and modern business tool for product delivery, helping together to pool and implement the mentioned resources, is the best way at the present. The suggested online room sale is the remarkable marketing tool, making the most use of ICT. It helps in terms of fastness, convenience and cost efficiency, including having in hand advanced cash deposit and profit can be expected bright.

However, many investors still are of hesitation and let their business in the hand of international travel agents, which have many ways taken advantage of our Thai hotels. Dr. Pongsak revealed back to the year 2002 when he had just begun his online travel business under the company name "A2Z Professional Travel" that he was strongly determined to bring internet or electric connectivity to manage and develop travel marketing tool for holiday- making customers. In 2003, the business had been expanded with website called Thaipark123.com and that year end with another called Morethailand.com, as the center for online room sale provided for over 1,000 independent small- sized hotels. At the very beginning, the company had been like a venue for supplier hotels to apply for free of charge to have their rooms on the

website. This was under the condition that hotels would have to allot some rooms for Morethailand.com to manage to be sold within the appropriate rates to make sure that all rooms would be sold out.

Online room sale has been now the talk of the town, taking a role in helping Thailand hotel business, which hasn't Global Distribution System (GDS) network, to compete in the market. The use of online room sale comes under the system called "Dynamic Pricing" or to be explained as the system where room price is frequently adjusted upon the demand side and rooms left daily, or in other words, the supply side.

The outnumbering hotels in membership of Morethailand.com are hotels in Phuket, gaining 40%, with those in Samui and Krabi as the second and third respectively. Nowadays, the remarkable outcome of this is that there is a 10% increase in sale revenue each year among the member hotels in Phuket. This 10% increase is comparable to global market turnover base like that of USA.

Dr. Pongsak also pointed to differentiate the dynamic pricing system used in room selling that this way would be less costly in that hotels didn't waste much cost for making price on paper but on electric system instead, which was of less cost. Besides, demand and supply sides can be adjusted as any time as required.

The key to this type of marketing is that it is needed to identify what enhances value for service to be right, fast and convenient to customers. Normally, room sale rates nowadays are categorized into 3 groups. The first is contract rate agreement; the second is low season rate, high season rate and peak period rate; the third is FIT/walking rate. The categories make much confusion to customers and make business much more complicated. It has been known that average 100 rooms- sized beach hotels turn to have their rooms sold online. Most business investors realize that hanging their business on traditional travel agents means that hotels are helping those agents to burden travel agents' high fixed cost.

Dr. Pongsak mentioned about the new strategic tool he brought to motivate independent hotels to be the affiliate and sell their rooms through website, that he had spent the past half year trying to use a strategy called "room allotment" in which Morethailand.com was willing to make a full payment in cash. This is different from traditional agencies worldwide, which have usually paid hotels by credit and paid the left 30- 45 days after sale. Another is that Morethailand.com tries to sell out all rooms.

According to Dr. Pongsak, Thai hotels will be forced to limited choices in the large world hotel business road unless they adjust themselves to the electronically marketing trend. He also said that nowadays the percentage of FIT travelers from Europe and Asia was climbing up nearly to 70, outnumbering the % of GIT or group travelers, which was only at 30. Tourist customers are willing to pay higher for much more privacy and convenience.

Besides, online marketing done by Morethailand.com has 3 keys that help increase benefits for hotels. Firstly, Morethailand.com helps in terms of inventory management, secondly, advanced booking, and thirdly, accounting portfolio, all which are run systematically and effectively.

For Morethailand.com, within this year, the company has planned to open new branches in Krabi and Phuket. These destinations have a certain number of independent hotels, which get interested to be the affiliate with Morethailand.com. The sharing concept in this is what is called “room allotment” used as the key strategy in online room sale. It is to say that innovated online marketing implemented by Morethailand.com is another challenging alternative for today investors.

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