

Phuket hotels at risk of oversupply

Morethailand.com launches the strategic marketing through opening morephuket.com, pointing that this is the way to expand online customer base.

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Dr. Pongsak Hoontrakul, CEO of A2Z Professional Travel Company Ltd. and the owner of the leading travel website in Thailand, morethailand.com, stated that the company had presently expanded online travel market to Phuket. According with this, the new office in Phuket was built followed by launching its morephuket.com. The aim was to be the traveling venue, which provides insight knowledge to travel and hotel business providers about the importance of organizing travel business deal through online. According to Dr. Pongsak Hoontrakul, online travel business is the most strategic channel that enlarges the market base and reduces risk in competitive environment among hotel business owners.

“The current hotel business situation in Phuket is potentially in risk as a result of high competition. While numbers of small- sized hotels are rising in Phuket, more tourists sort for new destinations like Krabi, and Khao Lak. This draws many hotel owners down in troubles of low occupancy since most tourists prefer stay in brand name hotels”, said Dr. Pongsak.

“Now, the number of room night in Phuket is more than 3,000. Among this number, brand name and international chain hotels are of advantage in their room management capacity. Contrary to foreign chain hotels, Thai- owned hotels are more dependent on foreign travel agents. The fact matters such problems like being down- priced by those foreign agents and returned rooms, that is affected by negative events such as terrorism in southern part of Thailand, bird- flu, or even SARS in past year”, said Dr. Pongsak.

From such problems, Thai hotel owners therefore need adjustment done for their operation, management, and marketing, including branding in order to push themselves more known and accepted among tourists. Opening morephuket.com is thus objective to provide knowledge and understanding on an effective use of online marketing which helps gain potential growth in the marketplace and is the place through which various customer- oriented promotions can be done for worldwide target markets. This helps manage room night effectively and reduce 50 % of operating cost.

Mr. Root Hotraphawanon, the committee of A2Z Professional Travel Company Ltd., and the director of Phuket office explained that morephuket.com focused on marketing strategy, management, and online technology in order to enhance competitive advantage, for example dynamic pricing and instant booking service. The strategy also included affiliate business dealing with hotel owners such as giving advice in managing room, online marketing, room allotment, and room night sign contract. These strategies were used in managing online commerce and as a result added price value to affiliate hotels and product choices to end customers.

“Moreover, the company has also continuously launched marketing campaigns to promote sale volumes such as attending in the important international tourism exhibitions, doing destination marketing, and organizing academic seminars for local hotel owners, aiming to help them adjust themselves along with electronic marketing trend. If they still walk with the traditional marketing and room sale, they may face more problem as such their property may fall to foreign owners or giant business investors”, said Mr. Root.