

**Marketing Strategies Analysis of Thai Hotel During the  
COVID-19 Pandemic Situation (Case Study: Oceanfront Beach  
Resort and Spa)**



**Mr. Supanat Samniang**

**An Independent Study Submitted in Partial Fulfillment of the  
Requirements  
for the Degree of Master of Arts in Business and Managerial Economics  
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FACULTY OF ECONOMICS  
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การวิเคราะห์กลยุทธ์ด้านการตลาดของโรงแรมไทย ในช่วงโรคระบาดโควิด 19 (กรณีศึกษา  
โรงแรม Oceanfront Beach Resort and Spa)



สารนิพนธ์นี้เป็นส่วนหนึ่งของการศึกษาตามหลักสูตรปริญญาศิลปศาสตรมหาบัณฑิต  
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คณะเศรษฐศาสตร์ จุฬาลงกรณ์มหาวิทยาลัย  
ปีการศึกษา 2565  
ลิขสิทธิ์ของจุฬาลงกรณ์มหาวิทยาลัย

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By                                      Mr. Supanat Samniang  
Field of Study                      Business and Managerial Economics  
Thesis Advisor                    KATIKAR TIPAYALAI

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Accepted by the FACULTY OF ECONOMICS, Chulalongkorn University in  
Partial Fulfillment of the Requirement for the Master of Arts

INDEPENDENT STUDY COMMITTEE

----- Chairman  
( )  
----- Advisor  
(KATIKAR TIPAYALAI)  
----- Examiner  
(NIPIT WONGPUNYA)  
----- Examiner  
(SAN SAMPATTAVANIJA)



จุฬาลงกรณ์มหาวิทยาลัย  
CHULALONGKORN UNIVERSITY

ศุภณัฐ สำเนียง : การวิเคราะห์กลยุทธ์ด้านการตลาดของโรงแรมไทย ในช่วงโรคระบาดโควิด 19 (กรณีศึกษา  
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วิกฤตการณ์เป็นสถานการณ์ที่ส่งผลกระทบต่อการทำงานของธุรกิจ โดยเฉพาะอย่างยิ่ง ภัยพิบัติทางธรรมชาติ การก่อการร้าย โรคระบาด ความขัดแย้งทางการเมือง และความผันผวนทางเศรษฐกิจ เป็นต้น ซึ่งส่งผลกระทบต่อเชิงลบแก่ธุรกิจในอุตสาหกรรมท่องเที่ยวเป็นอย่างมาก อาทิ การลดลงของนักท่องเที่ยว นอกจากนี้ ธุรกิจด้านโรงแรมจะต้องมีความจำเป็นที่จะต้องพิจารณาถึงการบริการรูปแบบใหม่ การวางตำแหน่งในตลาดการท่องเที่ยวใหม่ และการลดต้นทุน อย่างไรก็ตามแต่ละวิกฤตการณ์มีลักษณะเฉพาะ ธุรกิจโรงแรมจึงจำเป็นต้องตระหนักถึงกลยุทธ์ที่เหมาะสมต่อแต่ละวิกฤตการณ์ เช่น ยุทธศาสตร์การบริหารจัดการ กลยุทธ์ทางการตลาด อย่างไรก็ตามในช่วงการเกิดขึ้นของโรคระบาดโควิด 19 ธุรกิจโรงแรมหลายแห่งจะต้องเร่งพิจารณาถึงกลยุทธ์ทางการตลาดเพื่ออยู่รอด ทั้งนี้ ในการศึกษาจะศึกษากลยุทธ์ทางการตลาด ของโรงแรม Oceanfront Beach Resort and Spa จังหวัดภูเก็ต ประเทศไทย โดยมีวัตถุประสงค์เพื่อศึกษาถึงผลกระทบต่อธุรกิจโรงแรมจากการเกิดขึ้นของโรคระบาดโควิด 19 และวิเคราะห์ถึงกลยุทธ์ด้านการตลาดระหว่างก่อนและหลังการเกิดขึ้นของโรคระบาดโควิด 19



สาขาวิชา เศรษฐศาสตร์ธุรกิจและการจัดการ  
ปีการศึกษา 2565

ลายมือชื่อนิสิต .....  
ลายมือชื่อ อ.ที่ปรึกษาหลัก .....

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A crisis is an unexpectedly threatening situation that has an essential impact on business continuity. Natural disasters, terrorist incidents, epidemics, political conflicts, economic fluctuations, and other factors can all have a negative impact on the tourism industry[1]. By occurring of these factors, it can affect to a loss of tourists at any time. Hotel businesses may consider developing new services, repositioning to alternative tourism markets, and reducing costs. However, because each crisis is unique, hotel businesses need to determine proper strategies for the situation. Such an effective strategic management and new marketing strategies, crises can be turned into opportunities to increase the local consumers. During the Covid-19 pandemic, many hotel businesses have had to reconsider their marketing strategies in order to survive after the crisis had happened. In this study was conducted at the five-star Oceanfront Beach Resort and Spa in Phuket, Thailand. The objectives of this study are to determine how hotels are affected by the Covid-19 pandemic and what kind of marketing strategies they manipulated before and after the Covid-19 pandemic.

[1] Finny R., (2021) Marketing Strategies Used by Hospitality Businesses in Times of Crisis of the COVID-19, Vol. 4 No. 1, 121-129

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CHULALONGKORN UNIVERSITY

Field of Study:	Business and Managerial Economics	Student's Signature .....
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## 1. Introduction

The hotel industry is deeply correlated with the global tourism economy. Covid-19 has struck a major body blow to the hotel industry's contribution to the Thai economy, which contributed for 2.5% of Thai GDP of accommodation services (from 2017 to 2019). As a result, the hotel industry's contribution to the gross domestic product decreased to 1.0% of the total in 2020 and 0.6% in 2021. It should come as no surprise that the majority of hotel revenue comes from room rental fees, which account for between 65 and 70 percent of hotels' total revenue. The remaining 25% of a hotel's revenue is generated by the sale of food and beverages, however this amount can vary depending on the type of hotel. On general, four- and five-star hotels earn a greater proportion of their revenue from food and beverage sales than do smaller hotels. Typically, 5–10% of total revenue is derived from supplementary sources, such as giving laundry and ironing services and collecting rents from merchants operating on hotel premises. The following are instances of this form of income: (Lumkam P, 2022).

In the context of the economy of Thailand as a whole, the hotel business is often recognized as the most well-known tourism destination in the entire globe, particularly in Bangkok, Pattaya, and Phuket. It's thanks to Thailand that the prices of its accommodations and overall cost of life are so much lower than those of its competitors. It offers an attractive cost-to-experience ratio in comparison to other popular tourist spots. Also, the inclusive transportation networks and national infrastructure are potential variables that enhance the number of low-cost carriers serving the local market, which in turn have contributed to the local market's competitive edge. In point of fact, according to the World Economic Forum's 2021 Travel and Tourism Development Index, Thailand is ranked 36th out of the 117 nations that were analyzed, and it is third in Southeast Asia. Within the Travel and Tourism rankings, Thailand scores particularly highly in comparison to other countries in the Asia-Pacific region in terms of its price competitiveness and tourist service infrastructure. Additionally, Thailand ranks third in the world behind only Singapore and Indonesia in terms of the level of safety and security it provides.

Tourism is a key contributor to the Thai economy under normal conditions, although the business is highly dependent on international visitors. Which contributed 65 percent of the sector's overall revenue in 2019? By original tourist locations from East Asia (China, Japan, South Korea, Hong Kong, and Taiwan), which accounted for 42 percent of all international tourists prior to the development of Covid. Nonetheless, the occurring Covid-19 pandemic, the decline in the number of foreign tourist arrivals, and the decline in income from foreign tourists led to a 41 percent (THB 330 billion) and 15 percent (THB 40 billion) decline in the proportion of total tourism receipts in 2020 and 2021, respectively. As a result of the tourism industry's increased emphasis



on the domestic market, Thai tourists spent THB 220 billion in 2021. (85 percent of income). This demonstrates that the role of the international market has altered. Europe accounted for 59 percent of the market share, the greatest amount, followed by the United States with 11 percent of the total (Lumkam P, 2022). Because to the success of Thailand's Covid-19 management, visitor arrivals are optimistic about the country's Covid-19 management and the recovery of the tourism industry, as well as the easing of restrictions on international travel in certain regions. Yet, the limits on outbound tourism in China are the reason why the number of tourists from East Asia has decreased by just 9 percent on the East Asian market.

But still, between 2012 and 2019, the number of domestic tourist journeys within Thailand increased by an average of 5.5% every year. And by the conclusion of the period, the number might reach 144.8 million. The expansion of the domestic market has been fueled by the public and commercial sector's promotion of tourism and tax incentives, the decline in transportation costs, and the enhancement of national communication networks. In 2020 and 2021, however, following the occurrence of Covid-19, domestic tourism declined by -43.6 percent annually.

In 2019, Thailand has been ranked eighth globally in international tourist arrivals (UNWTO 2019), which international tourists accounted for 39.8 million, and China is the largest market of international tourists who travelled to Thailand. Moreover, the Thai tourism sector created 36 million jobs between 2014 – 2019. However, after occurring Covid-19 pandemic with related restrictions, the number of passengers on international flights to Thailand declined by 95 percent in September 2021. compared to the previous year. Hotel, in turn, only filled 9 percent of their room<sup>1</sup>

The purpose of this paper, firstly, is to determine how hotels are affected by the COVID-19 Pandemic and what kind of marketing strategies they manipulated before and after the Covid-19 pandemic adopted by the Oceanfront Beach Resort and Spa.

This paper is organized as follows. In the following sections, the literature related to marketing mix, 5C analysis, PRESTLE. Next, the impact of the Covid-19 pandemic to hotel industry. and marketing strategies comparison before and after covid-19 pandemic. Lastly, the conclusions and recommendations are presented at the end of this paper.

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<sup>1</sup> Saxon S., (2021), Reimagining travel: Thailand tourism after the Covid-19 pandemic, McKinsey & Company article

## 2. Literature Review

### 2.1 The Marketing Mix (7P)

The marketing mix is a method for conducting marketing research, which initially consisted of the 4Ps (product, price, place, and promotion). In the year 1960, Edmund Jerome McCarthy was the one who developed it. Then, Booms and Bitner enhanced the marketing mix by adding people, processes, and tangible proof to the mix.

The four P's of marketing, The term "**product**" refers to the goods or services that a company offers to its clientele in exchange for monetary compensation. Not only is assortment the collection of all products sold by a firm, but so are the desires and requirements of consumers. **The place** where the product is distributed should be easy for customers to find, and there should be multiple channels via which customers may contact with those who supply services. The availability of services is influenced by the various distribution channels as well as the areas in which they operate. The price is one of the elements that plays a significant role in the marketing mix. **Price** can also be considered psychological when customers identify certain price points with their willingness to pay for a product or service. Pricing can also include discounts and credit conditions. The term "**promotion**" encompasses a wide range of advertising methods, as well as personal relations and direct sales. It is essential to communicate effectively with the target demographic by using the appropriate strategy and conveying the appropriate information (Kotler et al. 2009).

In terms of the **People factor**, every single person working for the firm, including the general staff, provides value to the company as well as to the customers, and the abilities and choices they make have an effect on the operation of the entire company.

The **processes**, such as the sales process and online services, should be taken into consideration because they have an impact on how customers view the entire firm. A good process should help to ensure that the appropriate product is delivered to the appropriate customer in good condition, and it should also help to ensure that customer service follow-up is performed in order to start building a relationship with a customer, which is extremely valuable for future marketing activity.

By **physical evidence**, it is meant that both the tangible asset gained from the service and the product itself are intangible. This might be something like a hardcopy of the service, for instance. And include features such as the physical surroundings and certain products that make using the service more convenient.

The marketing mix known as the "7 P's" is still the marketing mix that sees the most widespread application. Productivity and quality are sometimes thrown into the mix, depending on the circumstances. This highlights the benefits that the purchasers of the goods or service enjoy from having purchased it. And the significance of each factor relies on the nature of the firm and its operations.

## 2.2 5C analysis

The 5C's of marketing analysis is a marketing framework to provide a guideline for business analysis of its marketing, also provide insight the key drivers of business. The 5C including customers, company, competitors, collaborator, and climate.

### A. Customers

The customers element refers to potential customers that company can reach with its products or services. The need and wants of customers that can help to employ marketing decisions, market segment, and customers behavior.

### B. Company

The company element of 5C's marketing analysis is used by the key issue to identify company performance, and refer to the brand and overall potential of the company. Also vision and statement of company.

### C. Competitors

The competitors element referred to the other companies in the market that in the same industry and sell similar products. This element can help a company determine the advantages and disadvantages, also help to understand where the rank in comparison to other competitors in the market

### D. Collaborators

Collaborators can refer to the other businesses that connect with the company to contribute business. especially partnerships are considered, also vendors, suppliers, retailers, and local communities. Moreover, collaborators can share the common interest in working to improve its businesses.

### E. Climate

The Climate element refer to the environment of the market that can affect the company. Such as political, economic, social, and technology factors. Changing to the climate factors may impact the industry as a whole rather than a particular company.

## 2.3 PESTLE Analysis

PRESTLE analysis is used for analyzing the external factors in the industry of the business. PRESTLE including the factors – political, economic, social, technological, legal and environmental. This tool has been used to examine marketing strategies for tourism by understanding how external, and macro factors affected the tourism sector.

Firstly, **Political factor** is defined as the rules and regulations and government policy that affect business operations. Secondly, **Economic** factor, influencing the decisions made in a business, is defined as employment rate, fiscal implementation, cost of materials, inflation, interest rates, deflation and economic growth. Moreover, **Social** factor consists of the cultural and demographic, social environment of business. Such as age distribution, and population growth. Also, a **Technological** factor is defined as any technological invention that impacts the business or affect on the production and processes using technological equipment. Furthermore, the **environmental** factor consists of how sustainability and an eco-friendly environment

are affected by the business. Lastly, **legal** factors are identified as the topic relating to restrictions and regulation

## 2.4 Overview of marketing strategies in times of crisis

As a result of globalization, both domestic and international businesses in the tourism industry continue to expand, and the market becomes significantly more competitive. But, when the crisis occurred, it posed a high level of uncertainty and posed a threat to a company's survival. Tourism may be one of the industries most impacted by the crisis, particularly the worldwide crises. In times of crisis, the marketing strategy must suit the demands and requirements of consumers. When tourism businesses act consciously, they can enhance their sales and profits by modifying their marketing mix accordingly. Also, for a business to be successful, consumer behavior must be carefully analyzed (Amalia, 2016). Strategy should contain long-term decisions and activities, and deployed systems must be evaluated periodically. In addition, the hotel sector must choose an appropriate marketing plan for their firm, taking into account future marketing needs, future tourist trends, competitive aspects, environmental issues, the tourism industry's strengths and limitations. Thus, the marketing strategy must be determined, and the marketing method must be executed in accordance with this strategy (Dahles & Susilowati, 2015).

Gillbert (1990) examines marketing strategies used in the tourism industry under three headings – consumer-oriented, competition-oriented, and trade-oriented. The consumer-oriented focuses on what your customers need rather than what you want to sell. In the meantime, Competition-oriented focuses on the business's attempts to capitalize on the weaknesses of vulnerable competitors to win market position. Furthermore, trade-oriented focused on the dealer network to motivate them to sell more of the company's brand rather than other brands.

Moreover, Middleton (2009) argued the marketing strategies that hotel companies can implement in times of crisis.

1. Growth strategy Businesses have the ability to diversify their growth strategies and determine which of growth strategies, intensive growth, or complementary growth is the most fit for their organization.

2. Market share strategy Despite the fact that market share is frequently thought of as a consequence and a measurement of successful competitive performance in an industry, it has also been thought of as a driver of successful and profitable performance. And in addition to this, it is utilized when selecting target audiences, which can be evaluated under an undifferentiated marketing plan. Businesses strive to have the complete audience they are targeting. In addition, differentiated marketing involves the presentation of items in a manner that distinguishes them for each individual market niche. In addition, a concentrated marketing approach focuses exclusively on a single subset of the market. Focusing on a small segment of a market that consists of a select group of customers and competitors is ultimately what makes niche marketing possible.

3. A tourism product, just like any other good or service, goes through stages of commencement, development, maturation, and decline as part of its product life cycle plan. Companies have the capacity to make a difference by focusing on reliability or making a difference themselves to lengthen this period.

4. The competitive strategy, sometimes known as an anti-competitive strategy, is a strategy that seeks to eliminate competitors from a market. There are four different categories under which you can examine it. Businesses that dominate their markets and industries typically use them. In order to remain competitive in the market, businesses must not be afraid to implement innovation and be willing to take chances. Audiences in the market tend to follow trends in the industry in order to avoid taking needless risks. Using a strategy that focuses on meeting the unique requirements of a niche market might lead to the creation of smaller markets in sectors that are avoided by large companies.

5. A strategy for lowering costs and increasing customer acquisition, The cost-to-profit ratio of the tourism company should be lowered as much as feasible in order to accomplish this goal. In order to accomplish this goal, there are three requirements that need to be met: the product quantity must be decreased, the product quality must be decreased, and the component that is increasing the cost of doing business must be eliminated. When the relevant research is examined, the various crisis-management marketing approaches that tourism businesses have can be seen.

## **2.5 Impact of the Covid-19 pandemic on the hotel industry in Thailand**

The Covid-19 pandemic has had a crucial impact on the hotel industry in Thailand, as where it has on the global hospitality industry. Thus, the main impact of the Covid-19 pandemic to the hotel industry in Thailand. Firstly, the declining in occupancy rates, due to the travel restrictions and lockdowns policy and many hotels have had to close temporarily or permanently. Secondly, the Thailand hotel industry has decreased in revenue and profits, which because of the decline of occupancy rates. This has led to job losses and financial issues for many hotels. Thirdly, the shifting in tourists preferences, where tourists preferring to stay in hotel that prioritized safety and hygiene. Fourthly, the increasing in domestic tourism, where the travel restrictions on international travel, led to domestic tourism are more important for hotel in Thailand. For example, many hotels have shifted their focus to domestic tourists target. Lastly, the adaption to new norms, where hotels in Thailand have had to adapt to the new norms brought about by the pandemic. For instance, hotel implementing new health and safety protocols.

The expansion of the tourism business in pre-Covid results in an increase in the number of hotels and rooms. Foreign arrivals tend to concentrate In Bangkok, where the Thai tourism sector is centered. Pattaya and Phuket are both well-known coastal destinations. In the past, government policy focused on promoting tourism growth by enhancing the quality of airports and national infrastructures, such as transportation networks. The private sector thereafter became more interested in investing in hotels in regional cities and tourist destinations, including as Chiang Mai, Ko Samui, and Krabi.

Hence, the number of rooms will expand from 682,824 in 2016 to 799,894 in 2020. Which 4.3% of average annual expansion.

Between 2007 and 2019, the average occupancy rate at a national level went up and down, varying from 60 to 70 percent. However, external factors, such as the political turmoil in the country from 2009 to 2010 that resulted in an occupancy rate of about 50 percent, the 2014 coup where it dropped to 55 percent, and the COVID-19 pandemic in 2020 that caused it to drastically drop to 29.5 percent, also played a role in affecting these numbers. Consequently, the occupancy rate kept declining, and in 2021, it hit a low of only 14.2 percent as both local and foreign travelers left the market. (Lumkam P. 2022)

The crisis that affected the hotel business industry started in 2020 and continued into 2021. During the pandemic, governments around the world imposed lockdowns and travel restrictions to control the spread of the virus. This led to a significant decline in international tourism, which fell by 72 percent in 2021. The decrease in Chinese tourists, in particular, had a major impact on the Asia Pacific countries that relied on this market, resulting in a collapse of 94 percent. Countries such as Malaysia, Japan, and Singapore were among those severely affected, with foreign arrivals dropping by 96.9%, 94.0%, and 87.9%, respectively (Lumkam P, 2022). This decline was due to the Chinese government's decision to maintain strict controls on international travel since the beginning of the pandemic.

In 2021, tourism arrivals dropped by 93.6 percent (0.43 million), but the arrivals began rising in the end year 2021, because of the government policy that relaxed Covid-19 controls by reducing the number of days quarantine and initiative Phuket Sandbox (from July 2021), the Samui Plus (from August 2021), and the Phuket Sandbox 7+7 Extension Program (from August 2021). In this policy, it boosted the Thai tourism industry, especially the tourist arrivals from Germany (11 percent), UK (9 percent), Russia (7%)

In the domestic tourism segment, Thai tourists took more than 53 million trips but experienced a significant decline of 41.4 percent compared to pre-COVID-19 levels. Additionally, the income generated from domestic tourism decreased by 60.6 percent, equivalent to THB 220 billion. However, the situation began to improve in the last quarter of 2021 due to the relaxation of restrictions and efforts to boost domestic tourism. As a result, an average of 8.5 million domestic trips were made per month.

In 2021, the average occupancy rate in Thailand has decreased to 28.5%. The tourist destinations located in Southern Thailand have been particularly impacted, with occupancy rates dropping below 10%. However, the provinces that rely on domestic travelers have managed to maintain an occupancy rate above 20%. Meanwhile, the average daily rate (ADRs) has fallen by 18.5% to THB 914, resulting in a significant decrease of revenue per available room (RevPAR) by 60.9%, down to THB 129 from THB 311 in 2020.

During the initial nine months of 2022, we have observed a continuous improvement in the tourism sector, and there are several indications of recovery. One of the most prominent signs is the increasing number of arrivals, with 5.7 million tourists recorded by September 2022, which is a significant increase compared to the mere 85,845 arrivals during the same period in the previous year. The market's growth was attributed to:

- (i) One of the reasons for the growth in the tourism sector is the relaxation of COVID-19 restrictions by the Thai government, such as the discontinuation of the Test & Go scheme for fully vaccinated travelers from May 2022.
- (ii) lifting restrictions on international travel from the country of origin;
- (iii) Another factor contributing to the growth in the tourism industry is the strategic measures taken to boost the number of visitors from India. Furthermore, the opening of road routes between Thailand and Malaysia has led to Malaysia becoming the primary source of arrivals to Thailand since June. As a result, it is anticipated that 970,000 Malaysian tourists will visit Thailand in September 2022, which accounts for 17% of total arrivals, followed by India and Singapore.

Although the tourism sector is showing signs of improvement, there are some challenges. The conflict in Ukraine since February has greatly reduced the number of Russian tourists in Thailand, and their share of foreign visitors has dropped from 7% in 2021 to only 2% in September 2022. Similarly, due to China's strict zero COVID policy, the country's share of the tourism market has plummeted from 28% in 2019 to just 3% in September 2022.

In September 2022, the number of domestic trips made by Thai tourists is expected to reach 103.4 million, which represents a 274.2% increase compared to the same period last year. The rise can mainly be attributed to the relaxation of COVID-19 measures and government initiatives aimed at boosting domestic tourism, such as the extension of the We Travel Together program's fourth phase, scheduled from July to October 2022.

The occupancy rate has shown improvement, rising to 42.0% in September 2022, a significant increase from 9.9% in September 2021. This improvement has been observed throughout the country as the number of visitors from both domestic and international sources has increased. However, despite the progress, the current occupancy rates remain substantially lower compared to pre-pandemic levels. Although the average room rate increased by 9.7% year-on-year, the revenue per available room has surged to 417 baht, a significant increase compared to just 90 baht in September 2021 (Lumkum P, 2022).

## 2.6 The Future Tourism Trends

The tourism industry has been impacted by global megatrends that alter the role of society, economics, politics, the environment, and technology. However, the Covid-19 pandemic has also affected these megatrends. Prior to the pandemic, the tourist industry was affected by trends such as the growth of the global middle class, the impact of technology on the industry, and the rise of health and wellness tourism. The pandemic has shifted and intensified these trends, highlighting four significant variables that will affect hoteliers in the future: demographic and social change, individualization, digital transformation and automation, and health and hygiene.

### Demographic and social changes

For a number of decades, the most important demographic or socioeconomic trend was the substantial increase of the global middle-class population, particularly in emerging nations. It was expected that it would be the principal driver of future tourism sector expansion. The COVID-19 pandemic, however, has disproved this premise. And because of the quick increase in unemployment and the loss of income, the significance of this section has diminished significantly. Before the epidemic, it was anticipated that growth would result from a comprehensive strategy. Now, a focused strategy that is adapted to the needs and behaviors of various age groups seems more appropriate.

The Generation Y and Generation Z cohorts are at ease with the latest technology and use it frequently to simplify their travel plans. They also prefer adventure tourism and seek out unique vacation experiences. They may travel alone, with a partner, or in small groups. Despite their concerns about contracting COVID-19, they are likely to be the first ones to resume travelling. However, their limited spending capacity and short hotel stays may alleviate concerns.

These travelers, who belong to Generation X, look for novel and thrilling experiences while traveling. They may go on vacations with their families, on sports trips, or for business purposes. However, even after the COVID-19 pandemic ends, the economic fallout from the crisis will continue to affect this group, causing them to be cautious about spending money on leisure activities. Gen X travelers are likely to have family responsibilities, such as caring for aging parents or children, which could make them less inclined to travel than younger generations. In general, it is expected that Gen X tourists will spend conservatively on travel and tourism, preferring to go on trips and visit nearby locations.

Previously considered the most profitable group due to their higher discretionary income and longer periods of travel, travelers aged 50 and above, also known as "baby boomers" or "silver hairs," have been impacted by the recession. However, due to their vulnerability to COVID-19 and being a significant percentage of fatalities and severe cases, this age group has become increasingly hesitant to travel for leisure. In the post-pandemic era, hotel proprietors should adopt novel tactics to entice



this demographic, such as emphasizing their safety measures to instill confidence in the establishment.

Furthermore, in 2022 Thailand population accounted for 71.7 million which have about 0.22% growth rate from previous year. But Based on The United Nations, Thailand is the sixth economy in Asia to reach an aged population of 14.15% in 2022. By 2023, Thailand is assessed to become a Super-Aged population, with over 20% of the population in the aged category where the share of people older aged 65 higher than 7%). Moreover, based on data from the World Bank for 2022, the age distribution of Thailand's population is divided by 3 categories: 0-14 years accounted for 17.72% of the total Thailand population, and 15-64 years reached 73.46% of the total Thailand population, and population who older than 65 years accounted for 8.82% of the total (Lumkum P, 2022).

### **Individualization**

Up until now, the tourism industry has been working to create cutting-edge spots that draw visitors of all ages. The COVID-19 pandemic, however, has highlighted and exacerbated generational gaps in requirements and responses. And, it takes a lot of time, effort, and money to create new tourist attractions. With the current pandemic emergency, this may no longer be the best course of action. Instead, businesses should assess the market to see what customers really want. This will put service providers in a better position to meet the demands of the group as a whole, be they related to travel arrangements, desired activities, or financial constraints. This is made possible by the use of new tools that simplify and expedite data collection and analysis. By raising awareness through public relations and marketing activities aimed at a certain group, for instance, and attracting tourists who would benefit from government steps to boost domestic tourism, hoteliers will be able to create and offer more specialized services. (Lumkum P, 2022)

### **Digital transformation and automation**

Whether it's for communication or for entertainment, technology is becoming increasingly integral to daily life. As a result, hoteliers have been able to take advantage of the proliferation of technological solutions in the tourism industry, allowing them to accept payments and reservations online, improve guests' experiences while they're staying at their properties, better track guests' opinions of their stays, and ultimately increase the likelihood that those guests will return. In addition, hotels and other businesses in the travel industry have had to adapt to the new normal of reduced physical touch and social distance.

As a result of Covid-19, health and hygiene are now key when planning any trip. Once foreign travel begins to pick up again, travelers will return to tried-and-true methods. Changes in these three factors are what experts anticipate will drive tourism demand in the future. One example is specialized tourism. Tourism is experiencing a shift from mass to niche, and as a result, visitors are showing a preference for traveling

in smaller groups and more independently (FITs). People value safety above all else when traveling, and are willing to pay more for high-end services that guarantee their protection. Last but not least, developments in digitalization, such as virtual tourism, play a crucial role in facilitating hassle-free, contactless, and risk-free tourism during the entire trip.

### **3. Methodology**

In this study, will be used a qualitative research method. Also, the marketing comparison approach will be used in this study, by comparing the marketing strategies in the hotel industry before and after the Covid-19 pandemic and what marketing strategies are most appropriate for Thai hotels, especially The Oceanfront Beach Resort and Spa in Phuket after the occurring of the Covid-19 pandemic.

#### **Research question and objective**

The research question of this research was, what kind of marketing strategies the Oceanfront Beach Resort and Spa need to employ in dealing with the Covid-19 pandemic? And the sub-questions were as follows:

1. How are hotels affected by the Covid-19 pandemic?
2. What kind of marketing strategies they manipulated before and after the Covid-19 pandemic?

### **4. Marketing strategies analysis for Thai hotel business (the Oceanfront Beach Resort and Spa)**

In this study will analyze the marketing strategies from marketing analysis tools including 7P marketing mix and 5C analysis to determine the competitiveness of the Oceanfront Beach Resort and Spa and its current services. In addition, will determine the external factors from PRESTEL analysis that will affect to the company.

#### **4.1 The Marketing Mix (7P)**

##### **A. Product**

The Oceanfront Beach Resort and Spa provides a variety of accommodation options, such as premier comfy room, ocean room, grand ocean room, ocean comfy room, pool access room, and grand ocean suite, as well as various amenities like airport limousine, shuttle bus to Central Patong, Fitness center, and Pool room. The resort prioritizes safety by offering online and door-to-door services, and local special services.

##### **B. Price**

Furthermore, in the price aspect, the Oceanfront Beach Resort and Spa have conducted the room rate with price dynamic by the seasonal preference of customers. Also conducted the price given an affordable price that is lower than some five-star hotels and chain hotels.

#### C. Place

In the place aspect, the Oceanfront Beach Resort and Spa is gradually shifting from offline marketing to online marketing (by making short video platforms and digital advertisements to promote company awareness. Moreover, the hotel is located nearby popular destinations such as Patong beach by 1.2 kilometers.

#### D. Promotion

On the promotion aspect, the hotel uses the promotional mix which consists of advertisement, precise customer promotion, seasonal promotion, and thematic promotion to increase their share of the market. Seasonal promotion will be conducted by high and low seasons. In the low season, the hotel will provide more promotions than in the high season to increase alternative traveling. Sales promotion will be conducted by offered through the website and by email.

#### E. People

In the people aspect, the hotel emphasizes on employee or staff behaviors and creation the hotel culture that belong to the hotel. Also, focus on job rotation where an employee needs to have multi skills in order to instead when not enough staff.

#### F. physical evidence

Moreover, in the physical evidence, the Oceanfront Beach Resort and Spa provided the quality of the hotel services such as full of facilities, a famous nearby location, a modern building, an outstanding ocean view, and many types of hotel rooms.

### 4.2 5C Analysis

The 5C analysis will be analyzed to the Oceanfront Beach Resort and Spa. Which includes customers, company, competitors, collaborators, and the context in order to determine the current hotel profile.

#### A. Customer

In the customer aspect, The Oceanfront Beach Resort and Spa are located in Phuket, Thailand where it has both international and domestic tourists. So, the customers of the hotel would be served for both international and domestic tourists. Before occurring the Covid-19 pandemic the customers of the hotel would be Chinese tourists but when the Covid-19 pandemic happened and launched of Phuket Sandbox, the Indian tourists would be the major of customers of the hotel. However, the Chinese tourists will not be allowed to outbound travel for a while causing Chinese customers will note remain the pre-pandemic level.

#### B. Company

The company factor of 5C analysis will be analyzed by the strengths and weaknesses of this hotel. Firstly, the strengths of this hotel are no land loan because the owner of this hotel is the owner of the land and the owner has a construction knowledge background that brought the cost of construction lower than other hotels. Secondly, the weaknesses of this hotel are lower bargaining power in dealing with suppliers and supply chain partners than The chain hotels.

### C. Competitors

The Oceanfront Beach Resort and Spa is a five-star hotel in Phuket. So, the competitors of this hotel are the five-star hotels both at a higher and lower price. And chain hotel will more services scale than this hotel.

### D. Collaborators

In the collaborator aspect, it will be divided into two factors including bargaining power and supply chain partners. Firstly, in terms of bargaining power, if the collaborators have stronger bargaining power, the hotel will not able to sustain higher margins even with higher marketing expenditure. Especially, the Oceanfront Beach Resort and Spa is a 145 rooms five-star hotel that collaborates with local transportation providers to transfer customers to the airport and famous places. Secondly, the supply chain partners, if the hotel has too many supply chain partners the bargaining power will be low, but if the hotel has too few supply chain partners it will be some dependence risk.

### E. Context

In terms of context factors, Currently, Thailand encounters a high inflation rate, and the consumption price will be high, affecting the price strategy of the hotel because the room rate will be higher than previously, the customers also concerned sensitively. However, following a relaxation of restrictions of traveling will be a major role driver to increasing tourists.

## 4.3 PESTEL Analysis

The PESEL analysis is a tool for analyzing external factors that impact to the hotel industry, especially in Thai hotels (The Oceanfront Beach Resort and Spa). The PESTEL analysis is including political, economic, social, technological, environmental, and legal factors.

### Political

In terms of political factors will be analyzed into three aspects including global, regional, and domestic aspects. These factors will impact to the tourism industry. In a global aspect, the dispute between Ukraine and Russia has impacted to increasing of oil prices and its resulted to the global inflation is increased. Moreover, its affects global tourism travelers fearing to travel around the disputed countries. In the regional aspect, ASEAN is the potential region that high investment of tourism industry.

In terms of domestic political aspect, Thailand has launched the “We Travel Together” program, where set to stimulate domestic tourism by subsidizing hotel accommodation (about 40% of room rates). Moreover, the program not only subsidizes the room rates but subsidies of other services (including food and flight ticket) by discounting 40% of the ticket price. The program at least THB 30 billion had been added to the Thai economy. In addition, the program caused many hotels to shift to focus on the domestic market and attracted domestic travelers by promoting both flights and hotels in collaboration with the program.

### **Economic**

The authorities' judicious use of their ample economic buffers helped maintain economic stability during the pandemic. The economic activity saw its largest fall since the Asian crisis in 2020 and only gradually rebounded in 2021, as successive COVID-19 outbreaks weighed on Thailand's tourism-dependent economy and hindered the government's reopening efforts. The government used available fiscal space to deploy an unprecedented policy package to mitigate the pandemic's impact on consumption and employment, which pushed up public debt to 58 percent of GDP at end-2021. With over 75 percent of the population fully vaccinated, the government has gradually relaxed travel restrictions<sup>2</sup>.

### **Social**

The pandemic induced various structural shifts, which, combined with Thailand's pre-existing structural weaknesses, point to a need to identify new growth drivers. Pre-pandemic, Thailand had been growing slower than peers, largely reflecting low productivity growth and lackluster human and physical capital accumulation, high household debt, and weak social safety nets for a rapidly aging population. Protracted political uncertainty and policy fragmentation stalled structural reforms and weighed on investment, limiting Thailand's participation in the global value chains (GVCs) for innovation-based manufacturing and services. By putting in motion sectoral shifts away from contact-intensive sectors and accelerating digital and green transformation trends, the COVID-19 pandemic has increased the urgency of structural reforms needed to mitigate the economic scarring from the pandemic and leverage growth opportunities from the ongoing transformation.

### **Technological**

The new technology is a key to reforming of the industry as companies need to maintain and extend their competitiveness. Moreover, digital technology is a core driver of value-added creation in the hotel industry. Moreover, the internet of things (IoT) application will be used in hotels to increase their service capacity. In addition, digital services such as hotel booking sites (Booking, Agoda) is a main role of hotel booking that help customers easier book hotels through online services.

### **Environmental**

Thailand where one of almost 200 countries, announced its climate goal commitment to tackle climate change. By 2050, Thailand will be carbon neutral and reach net-zero greenhouse gas emissions by 2065.

Challengingly, Thailand is among the top 10 countries that suffer from climate change according to the Global Climate Risk (long-term climate risk index), affecting to both economic loss and casualties. In 2050, if the temperature would rise 3.2 degrees Celsius, the Thai economy could shrink by 44% approximately. So, Thailand is both

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<sup>2</sup> IMF, 'CONTEXT: BUILDING BACK BETTER POST-PANDEMIC', 2022

highly vulnerable to climate change and a relatively important producer of global emissions that risk to the tourism sector.

### **Legal**

The digital service tax is now levied on foreign companies offering of digital services, such as hotel booking sites, e-commerce platforms, and food delivery apps. The foreign companies that have annual revenue over THB 1.8 million have to pay a 7% value-added tax like Thai companies.

Moreover, Thailand permitted the use of a digital identification card (E-ID) instead of a physical identification card for boarding domestic flights and approved the collection of traveler fees for foreigners' arrival in Thailand. The fee will be THB 300 collected for air transportation and THB 150 for sea and land transportation.

## **5. Marketing strategies of hotel businesses before and after Covid-19**

Before the Covid-19 pandemic, hotel companies were developing, marketing strategies to focus on attracting customers (or customers-oriented) and were improving customer satisfaction and loyalty. Moreover, digital marketing of pre-Covid-19 was arising for advertisements, video marketing, and web-based marketing. Web online booking platforms (Booking, Agoda) were rising in demand from customers. The hotel companies will collaborate with the platform to promote their business.

However, when the Covid-19 pandemic happened, the hotel business was hugely impacted, because tourists did not allow traveling broadly. In addition, tourists are more aware of healthier and more hygienic of traveling destinations. Thus, the hotel business has focused on services with concerning health and hygiene services. Moreover, now tourists prefer to travel to where not popular destinations and where is not a crowded area. Thus, the hotel companies developed their services were improving more alternatives of traveling.

### **Pre Covid-19**

1. Focus on Improving customer satisfaction and loyalty
2. Customer satisfaction is the top priority of the service

### **Post Covid-19**

1. Focus on social media and advertisement campaign
2. Focus on local communities
3. Focus on wellness and hygiene traveling
4. Flexible cancellation
5. Focus on data analytics on customer needs to evaluate promotion offering
6. Digital transformation

## 6. Conclusion

Following the marketing strategies analysis tools including 7P marketing mix, 5C analysis, and PESTEL analysis. The Oceanfront Beach Resort and Spa, a five-star hotel in Phuket, Thailand, was affected by the Covid-19 pandemic where it has a loss of international tourists' arrival. However, when the Thai government initiative of Phuket Sandbox and We Travel Together boosted both domestic and international traveling increasingly.

However, when occurring the Covid-19 pandemic, tourist behavior has been changing from pre Covid-19, tourist shift to emphasize on health and hygiene tourism and use digital technology for utilizing the traveling,

Following the external factors analysis including political, economic, social, technological, environmental, and legal. These factors can affect to hotel businesses both directly and indirectly. In terms of political factor, the hotel business will be affected by this factor. The dispute between Ukraine and Russia will loss of a number of travelers. Moreover, domestic politics in Thailand has sensitively fragmentation. In economic factor, the financial crisis and the growth of inflation will affect to purchasing power of tourists. Moreover, social factor is lead customers to aware the health and hygiene and the growth of the aging population are regarded.

Furthermore, the 7P marketing analysis and 5C analysis are explained by the characteristic of the Oceanfront Beach Resort and Spa in order to determine what kind of appropriate marketing strategies. Following marketing analysis, the marketing strategies that will be employ to deal with after Covid-19 pandemic are:

1. Emphasize marketing which relating to niche market, heath & hygiene, and digital trend
2. Diversify revenue sources and smoothen the seasonal gap
3. Increase value-added tourism
4. Develop high-end products and advertising strategies to draw in fresh target markets and boost spending among travelers.

Collaboration with local communication and promote local traveling packages

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## VITA

**NAME** Supanat Samniang  
**DATE OF BIRTH** 03 Oct 1996  
**PLACE OF BIRTH** Thailand



จุฬาลงกรณ์มหาวิทยาลัย  
CHULALONGKORN UNIVERSITY