

Post-tsunami marketing plan for inbound travel agency(s) in Phuket

Danliga Prangsrutong
Prince of Songkla University, Phuket campus, danliga@hotmail.com

Abstract

The main revenue of Thailand is tourism by international tourists travel and expend into the destinations. Researcher needs study to Post-tsunami marketing plan for inbound travel agencies in Phuket in order to help recover Phuket tourism. Therefore, crisis is SARS, Bird Flu and 9-11 terrorism which affected tourists decreasing and Thai economy. Tsunami is natural crisis which occurs immediately; Thai and foreign people were suffered and affected directly to tourism industry and following impact fewer customers. Marketing plan can be an essential implement to manage situation after Tsunami, researcher found that promotion and advertising is very important to adjust marketing plan but each type of inbound travel agents design a different activities in 4Ps (Price, Place, Product and Promotion) to be appropriately. Respondents need assistant from TAT collaborate airlines, tour operators and accommodations with arranging promotion for packages and local government redevelop attractions and atmosphere in order to attract tourists. On the other hand, researcher found that the most tourist type after Tsunami are a low income earner as 42.9% and prefer to stay in city hotel. However, inbound travel agencies need assist from other organization help operate to recovery especially TAT and need local government assistant in advertising and public relationship about safety as 68.6%. From this paper showed respondents do not have business insurance as 82.90%, natural disaster insurance 75.60% and property insurance 56.10% so researcher suggested respondents arrange those insurance in order to help business when business affect.

Keywords: Inbound travel agency(s), marketing plan, Tsunami

1. Introduction

Thailand obtained more revenue from International tourists travel in Thailand while Thailand affected from 9-11 terrorists, Bird Flu epidemic and SARS breakout in 2001-2003 that Thai tourism suffered tourists decreasing, moreover, Tsunami disaster in 26 December 2004 occurs immediately to drop tourism, damaged Thai people, tourists and business.

International tourists decreased 1.51% when compared in 2003, especially; the first quarter of 2005 the international tourist dropped 10% in order to they was shocked by tsunami (TAT, 2005).

Researcher aim to study Post-tsunami marketing plan for inbound travel agents in Phuket in order to tourism was recovered rapidly. Beside, researcher study to evaluate the impact of Tsunami on the inbound travel agents in order to know to affect them suffer and know how to manage with their business and how to adjust Post-tsunami marketing plan. Nevertheless tourists increased in 2006-2007, adjust marketing plan have to study for potential future crisis.

2. Objectives

- To evaluate the impact of the Tsunami on the inbound travel agencies.
- To study marketing plan adjustment for inbound travel agencies aftermath Tsunami in Phuket.
- Based on the Tsunami lessons, to appropriate crisis marketing management strategies for the inbound travel agencies for potential future crises.

3. Methodology

The population is 326 Phuket inbound travel agencies who are owner, sale and marketing manager involved to tourism industry. Sample size is 35 inbound travel agencies who have experience 5 years to work in tourism. Researcher used face to face interview in order to obtain open-minded answers from respondents about marketing plan adjustment. The data collection was

carried out in March 2006 and analyzed in 2007.

4. Literature review

4.1 Phuket Tourist flows

The international tourists decreased from 10.82% in 2000 to 5.82% in 2001 cause the 9-11 terrorists in this period. The international tourist was decreased from 7.33% in 2002 to 7.36% in 2003 because SARS crisis in Thailand was suffered. However, the international tourists increased 16.46%, average expenditure increased 7.51% and revenue decreased 24.28% in 2004.

On 26 December 2004, Tsunami caused to the number of tourists was decreased 1.51% in 2005 from increasing 16.46% in 2004 and this crisis affect directly to tourism in Thailand. The international tourist increased 20.01% in 2006, the highest average length of stay in 2007 increased 10.71%, the highest revenue in 2007 increased 547,782 baht when compared in 1997-2007 that indicates Thailand tourism was recovered rapidly (TAT, 2008).

Table 1: Regions of tourist arrivals in 2004-2005

Region	2004	2005	Change %
East Asia	723,977	415,180	-42.65
Europe	326,667	270,089	-17.32
The Americas	67,064	71,386	6.44
South Asia	32,843	29,934	-8.86
Oceania	39,253	41,177	4.90
Middle East	22,012	16,574	-24.70
Africa	4,947	4,941	-0.12
Grand Total	1,216,783	849,931	-30.15

Source: TAT (2006)

Table 1 shows details to compare the international tourist arrivals in 2004-2005 that found tourists changed decreasing 30.15% by each regions decreasing except to America and Oceania. East Asia is main market to change decreasing 42.65%.

Table2: Tsunami impact on Phuket to tourist arrivals and revenue: January-March in 2004-2005.

Tourist	January-March		% change
	2005	2004	
Total	455,303	1,182,024	- 61.48
Thai	266,009	373,985	- 28.87
Foreigners	189,294	808,039	-76.57

Total revenue (million baht)	5,260.09	18,172.48	-71.05
Thai	2,158.07	3,236.26	-33.32
Foreigners	3,102.02	14,936.22	-79.23

Source: TAT (2006)

When take a look from table 2, foreign tourist who travels in Phuket after Tsunami, is decreasingly 76.57% between January to March in 2005. Moreover, revenue from foreign tourists on January to March in 2004 which is 14,936.22 million baht but revenue in 2005 after Tsunami is decreasingly 79.23%. Both foreign tourists and revenue was decreased which was pointed to Tsunami impacted directly to tourism industry.

4.2 The 2004 Tsunami

On 26 December 2004, Tsunami that mean "harbor wave", to be natural disaster occur immediately. Sri-Lanka, Maldives, India and Thailand suffered from Tsunami to people and property damaged, moreover; tourism industry is the most affected in each destination. The provinces in Thailand suffered from Tsunami were Phuket, Krabi, Phang-nga, Trang, Satun and Ranong, especially; Phuket impacted to fewer tourists and revenue decreased (WTO, 2005).

Table1: Victims by Tsunami in Thailand and Phuket

	Thailand	Phuket	%
Thai Death	2,568	154	5.99
Foreign Death	2,510	105	4.18
Total Death	5,291	262	4.95
Thai Injured	6,065	591	9.75
Foreign Injured	2,392	572	23.91
Total Injured	8,457	1,111	13.14
Missing	3,716	700	18.84

Source: Bangkok Post News (2005)

Table1 shows detail the total of deaths is 5,291 persons, injured is 8,457 persons and missing is 3,716 in Thailand by Tsunami. In Phuket, the total of deaths is 262 persons as 4.95%, the total of injured is 1,111 persons as 13.14% and the total of missing is 700 persons as 18.84%. The foreigner injured by Tsunami in Phuket that is 23.91% and the highest percentage when compared.

4.3 Crisis management strategies

Security and safety is the major decision of travelers, especially the leisure travelers (Dwyer, 2003). Parsons (1996) that the management function takes decisions based on a combination of knowledge and experience. The qualification is concerned with the risks of exploring every possible opportunity for disaster and preparing the details of plans. PATA (2003) that the most effective crisis management occur that detecting early warning signals, preparing plans and running exercises, executing operational and communication plans in a crisis situation and returning the organization to normal after a crisis. Sonmez (1999) which communication is a public relations team and spokesperson represents the destination to media. Marketing is a promotion team to direct recovery marketing efforts and attract visitors back to the destination.

Nuna (2005) gave to some details about crisis marketing management strategy; researcher found that European, couples, female and 31 to 45 years old was concerned more about safety and security.

Table3: Reaction crisis management after Tsunami

Reactions	%
- Provide more insurances	24.40
- Discount or cutting price	78
- Spare cash for emergency situations	56.10
- Decrease advertising	4.90
- Provide safety drill and instructions	7.30
- Increase advertising	30.50
- Ready to switch different products and destinations	7.30
- Compensation for employees in case of accidents	29.30
- Other	4.90

Source: Nuna and group in MBA (2005)

Table 3 shows detail how to react when crisis occurs; respondents react by discount and/or cutting price is 78%, spare cash for emergency situations is 56.10% and increase advertising is 30.50%.

Travel agents did not have business insurance as 82.90% after Tsunami, natural disaster insurance as 75.60%, and property insurance as 56.10% and etc.

5. Finding

Inbound travel agencies suffered number of tourists decreasing is 91.5%, customer injured is 62.9% so this paper have to study adjustment marketing plan in order to tourists back to Phuket as this most affect to respondents. The 1st approaching with customer's problems, respondents decide to cooperate with Thai government is 62.9% and the fewer tourist impact directly 82.9% and solution with their company decided to reduce employee's salary as 34.3%

Respondents need more assistant from TAT as 34.3% such as collaboration between airline, tour-operator and accommodations is 88.6% which was agreed by each type of travel agents. Need to assist from local government is 68.6% by advertising and public relationship about safety. Moreover, position news such as recovering and development with envelopment and tourists place is 76.5% and redevelopment attractions and atmosphere from Phuket government is 65.7%.

Low income earners are 42.9% who travel in Phuket after Tsunami and 28.6% preferred to stay in city hotel. The important method is promotion and advertising as 60%. Respondents preferred to adjust product activities by more flexibilities with package to customer's satisfaction is 68.6%, price activities by giving special price for more people and/or long stay is 62.9%, place activities by website and/or on line is 68.6%, promotion activities by tourism fair by inbound travel agencies to aboard in potential market is 51.4%. But each type of inbound travel agents design different activities to appropriate with their business.

6. Conclusions

The most impact of the inbound travel agencies after Tsunami is fewer customers. They need more assistant from TAT to collaborate with airlines, tour operators and accommodations and assistant from local government to redevelopment attractions and atmosphere. They aim to adjust Post-tsunami marketing plan by promotions and advertisings

and also use on 4Ps activities in order to attract tourists back to travel the destinations. However, crisis management strategies are essential to recover the destinations by study concisely crisis, prepare safety and security to present tourists ensure with the destinations and does not overlook the defects in the past to adjust appropriately with Tsunami disaster, especially; prepare crisis management plan base on knowledge and experience among nature crisis. Moreover, task force team is mainly into objectives and does be successfully.

7. Recommendations and discussions

Respondents should buy business insurance or property insurance or nature disaster insurance in order to protect asset damaged and save to pay expense of damage after crisis. This paper should study more marketing activities of Phuket inbound travel agencies related to crisis encounter and also crisis management strategies. This paper should be carried out in a fewer period time in case to the hot issue.

8. Acknowledgment

Researcher would like to say "Thank you" to Nuna and Group in MBA for information about crisis management in tourism and Khun Kuan in TAT Phang-nga province for finding number of travel agents in Thailand and Phuket.

9. References

Proceedings Papers on website

[1] Tourism Authority of Thailand. (2005).

Tourism situation concerning inbound foreigner visitors in 2005. Retrieved June 20, 2008, from http://www2.tat.or.th/stat/web/static_tsi_detail.php.

Proceeding Papers

[2] Dwyer, L., and C.W. Kim. (2003).

Destination Competitiveness: a Model and Indicators. Current Issues in Tourism. In Dwyer, L. (2006). *Tsunamis, Hurricanes, Terrorism, and etc: Lessons for the Global*

Tourism Industry. New South Wales University.

- [3] PATA (2003). *Crisis: Expect the unexpected, be prepared.*
- [4] Parsons, W. (1996). Career Development International. *Crisis management.* (pp.26-28). UK: MCB University Press.
- [5] Nuna, Ton, Fa and Koy. (2005). *Risk and crisis management in Tourism.* Thailand: Songkla University, Phuket campus.

Journal Papers

- [6] Sonmez, S.F., Apostolopoulos, Y. and Tarlow, P. (1999). Tourism in Crisis: Managing the Effect of Terrorism. *Journal of Travel Research*, 38, 13-18.