ANALYSIS THE POTENTIAL IMPACTS OF E-TOURISM

ON THE TOURISM INDUSTRY IN THAILAND

NONGNUCH SONGYU

A Thesis Submitted in Partial Fulfillment of the Requirements

For the Degree of Master of Business Administration

Department of International Business

Graduate School

The University of the Thai Chamber of Commerce

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Thesis Title	: Analysis the potential impacts of E-Tourism on Tourism Industry in Thailand
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Major Field	: International Business
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Thesis Co- advisor	: Dr.Paitoon Chetthamrongchai
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ABSTRACT

With underlying objectives of the research to study the perception of international tourists and entrepreneur in Thailand, the characteristic of the tourists who surf E-Tourism web sites and identify the SWOT of tourism industry in Thailand in this circumstance. The conceptual framework is Five Forces Model adopted from Michael E. Porter (1997). The variables the proposed in the study are measure intensity of rivalry of tourism industry in Thailand in the circumstance include trend in the future. The study was made using questionnaires as a tool. Five hundred and seven respondents who were international tourists, entrepreneur and the expert were studied as a simple random sampling group data was statistically delineated through frequency, percentage, mean, standard deviation, interview and analysis.

The finding of the study indicated that the most of tourists were satisfy in E-Tourism and they will choose E-Tourism for search the information, reserve or purchase the product of E-Tourism in next time. The entrepreneurs also accept E-Tourism that easy to getting the information and convenience for customers even though, E-Tourism is not popular in travel agencies. The experts analyze the impacts which begin to affect on entrepreneur in Thailand. This study suggests the travel agencies speed up to develop technology within the organization for support the new generation and begin to concentrate in niche market which focuses on the creative idea.

หัวข้อวิจัย	การวิเคราะห์ผลกระทบที่สามารถเป็นไปได้ของอิเล็กทรอนิกส์ทางด้านการท่องเที่ยวต่ออุตสาหกรรมท่องเที่ยวในประเทศไทย
ชื่อ	นางสาวนงนุช ทรงอยู่
ปริญญา	บริหารธุรกิจมหาบัณฑิต
สาขา	บริหารธุรกิจระหว่างประเทศ
อาจารย์ที่ปรึกษา	ดร. ผุสดี พลสารัมย์
อาจารย์ที่ปรึกษาร่วม	ดร.ไพฑูรย์ เจตธำรงชัย
ปีที่สำเร็จการศึกษา	2006

บทคัดย่อ

งานวิจัยนี้มีวัตถุประสงค์เพื่อศึกษาการรับรู้ต่ออิเล็กทรอนิกส์ทางด้านการท่องเที่ยวของนักท่องเที่ยวชาวต่างชาติและผู้ประกอบการในเมืองไทย ลักษณะของนักท่องเที่ยวชาวต่างชาติที่ใช้อินเตอร์เน็ตในการค้นหาข้อมูลทางด้านการท่องเที่ยวและแยกแยะจุดแข็ง จุดอ่อน โอกาสและอุปสรรคของอุตสาหกรรมท่องเที่ยวไทย การศึกษานี้ได้ประยุกต์กรอบความคิด Five Forces Model ของ Michael E. Porter (1997) เพื่อเป็นปัจจัยที่ใช้วัดสภาวะการแข่งขันในอุตสาหกรรมท่องเที่ยวไทยในปัจจุบันรวมถึงแนวโน้มในอนาคต เครื่องมือที่ใช้ในการวิจัยคือ แบบสอบถาม ซึ่งใช้แบบสอบถามในการวิเคราะห์จำนวน 507 ฉบับ ในการวิเคราะห์นักท่องเที่ยวผู้ประกอบการและผู้เชี่ยวชาญในอุตสาหกรรมท่องเที่ยวไทย สถิติที่ใช้คือ ความถี่ ร้อยละ ค่าเฉลี่ย ค่าส่วนเบี่ยงเบนมาตรฐานและการวิเคราะห์จากบทสัมภาษณ์

ผลการวิจัยพบว่านักท่องเที่ยวส่วนใหญ่มีความพึงพอใจในพาณิชย์อิเล็กทรอนิกส์ทางการท่องเที่ยวและจะใช้พาณิชย์อิเล็กทรอนิกส์ทางการท่องเที่ยวสำหรับการเดินทางครั้งต่อไป รวมถึงผู้ประกอบการได้ยอมรับว่าพาณิชย์อิเล็กทรอนิกส์ทางการท่องเที่ยวสามารถทำให้นักท่องเที่ยวได้รับข้อมูลต่าง ๆ ได้ง่ายยิ่งขึ้นและเพิ่มความสะดวกสบายให้แก่ผู้ซื้อแม้ว่าพาณิชย์อิเล็กทรอนิกส์ทางการท่องเที่ยวยังไม่แพร่หลายในกลุ่มบริษัทตัวแทนจำหน่ายทางด้านการท่องเที่ยวก็ตามในส่วนของผู้เชี่ยวชาญได้วิเคราะห์ถึงพาณิชย์อิเล็กทรอนิกส์ทางการท่องเที่ยวที่เริ่มส่งผลต่อผู้ประกอบการในประเทศไทย งานวิจัยนี้เสนอแนะให้บริษัทตัวแทนจำหน่ายทางด้านการท่องเที่ยวรีบเร่งพัฒนาเทคโนโลยีภายในองค์กรเพื่อให้ทันกับพฤติกรรมของคนรุ่นใหม่และเริ่มสร้างตลาดเฉพาะเจาะจงที่มุ่งเน้นทางด้านความคิดสร้างสรรค์ต่างจากบริษัทตัวแทนอื่น ๆ

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Nongnuch Songyu

August 2006

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CHAPTER 1

INTRODUCTION

1.1 Background

Nowadays, the globalization spread increase through network worldwide because the advance of information technology. Internet becomes a useful tool to access information. Just one click, we can access the information and entertainment. Because of the convenience, some business use internet to be an available choice for clients in order to advertise their goods, information and services through internet as it's called "E-Commerce". Not only does business industry present their goods and services through internet but tourism also use internet as an accessible choice providing tourist information in order to attract tourists around the world. E-Tourism , a convenient alternation provided tourist information through internet, plays an important role in The United States, Europe countries as the reservation, booking, and payment through World Wide Web are raising. Nevertheless, E-Tourism is unfamiliar in Thailand as it serves a few groups. Thailand tourist information therefore is not well-known among

CHAPTER 2

LITERATURE REVIEW

This chapter reviews the concepts and theories for major constructs of the study. The chapter comprises 2 sections which are the related Theories and Related Research.

2.1 The Related Theories

2.1.1 Five Forces Model

2.1.2 The online purchasing behavior

2.1.3 Tourism Industry

2.1.4 The tourism system

2.1.5 The structure of Business travel and tourism

2.1.6 Intermediary

2.1.7 E-commerce

2.1.8 E-Tourism

2.1.9 Internet usage and population

2.2: The Related Research

CHAPTER 3

RESEARCH METHODOLOGY

The objective of this research is to study the potential impact of E-Tourism on the tourism industry in Thailand. This chapter follows several steps of research methodology:

3.1 Conceptual framework

3.2 Population and Sample size

3.3 Research Instruments

3.4 Test of reliability

3.5 Data Collection Method

3.6 Data analysis

CHAPTER 4

DATA ANALYSIS AND RESULTS

In this chapter, results of data analyses are presented in 3 sections:

4.1 Response rate and demographics of respondents in Thailand

4.1.1 Response rate summarization

4.1.2 Demographics of respondents

4.2 Response rate and perceptions of travel agency professionals in Thailand

4.2.1 Response rate summarization

4.2.2 Profiles: travel agency professionals

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4.3.6 Impact of E-Tourism /supplier trends on travel agency professionals and impact of E-Tourism trends on Thai tourism industry in the future.

CHAPTER 5

DISCUSSIONS AND RECOMMENDATIONS

As the resulted of the analysis the potential impact of E-Tourism on the tourism industries in Thailand. This chapter includes fives sections.

5.1 Conclusion

- Tourist
- Tourism Industry in Thailand (Travel Agent)
- E-Tourism
- Suppliers
- New Entrance

5.2 Discussions

5.3 Recommendations

5.4 Limitations of study

5.5 Suggestions for further study

foreign tourists (Research Department of Bank of Ayuthaya Public Company Limited). Accordingly, the encouragement of E-Tourism and use internet as the important tool to provide all tourist information about Thailand in order to attract tourist around the world.

1.2 Statement of Problem

The cause of growth rate for E-Tourism is increasing that because it is an available choice to access information for tourist. Moreover, entrepreneurs are able to reduce the cost to operation and expand more the customer base, and able to serve an astonishing service for client response to customer's need and help to contact between the travel agency and clients more convenient. Tourist is able to purchase tourist service such as accommodation, air ticket and car rent through internet at home for 24 hour. Tourist can search all tourist information such tourist attraction, map, schedule, payment condition, refund and insurance policy of travel agent and they receive the most satisfaction through World Wide Web.

Thus, E-Tourism is a convenient choice for client to access the information cause searching through internet is inexpensive and accessible. Not only does E-Tourism access mass communication but it also changes tourist behaviors because consumer can contact travel agency straightly and they also choose the favorable service. Consequently, this research will seek the authentic impact of E-Tourism to the travel agencies in Thailand. Even though it may be complex to 4 comprehensively understand the knowledge of tourist satisfaction, purchasing behavior, decision making process and their experiences about E-Tourism .

1.3 Objective of study

In light of the facts presented in background and problem statement, the purposes of this thesis are:

1. To identify the SWOT of tourism industry in Thailand.
2. To explain the characteristic of the tourists who surf E-Tourism web sites.
3. To analysis tourists perception on E-Tourism .
4. To evaluate entrepreneurs perception on E-Tourism .
5. To analysis the potential impact of E-Tourism on the tourism industries in Thailand.

1.4 Research Question

As stated in the wide area of research objective, we have chosen to investigate part of problem. We shall therefore focus our research in the five following questions:

1. What are the strengths, weaknesses, opportunities, threats of travel agency in Thailand?
2. What are the characteristics of the tourists who surf E-Tourism web sites?
3. What are the tourism's perceptions on E-Tourism ?
4. What are the entrepreneur's perceptions on E-Tourism ?
5. What are the potential impacts of E-Tourism on the tourism industries in Thailand?

1.5 Scope of the Study

The frame of this research attempts to measure the attitude of the entrepreneurs of travel agency, international tourists in Thailand and the expert within the tourism industry. The measurement based on their predictions and perceptions of the user information satisfactions .This research explain the tourist' response to online shopping service

There are three target respondents. First, the tourists who visit Thailand for leisure during the month of May and June, 2006 and surf the information in Thailand or reserve/purchase via website. Second, entrepreneurs who work in travel agencies during the month of April and May, 2006 which registered with Bangkok Tourist Business and Guide Register Office within September, 2005. Third, running an expert survey that have an experience in tourism industry during the month of May and June, 2006. All of the questionnaire were collected by the researcher.

1.6 Operational Definition

Tourist: The individual of international travelers who visiting Thailand for leisure during the month of May and June, 2006.

Entrepreneurs: The owner or administrator of the travel agency in Thailand which are selected by purposive sampling for this research.

Expert: The administrator who works in the field of tourism at least 20 years in 2006.

Travel Agency: The business that involves food, service, accommodation, rental car, insurance and arrange personal package travel for tourists.

Tourism Industry: The firms and establishments which providing facilities and service as travel agency in Thailand.

Potential Impact: This force transmitted by the technological environment and demographics of tourist of E-Tourism on Tourism industry in Thailand.

E-Tourism (electronic tourism): The management of travel business on the Internet. It refers to selling, suggesting, reserving the accommodation for tourist via the web site.

Intermediary: The seller of travel products who acts as a link between a seller (rental car, hotel, and restaurant) and a buyer (tourist) as the travel agency in tourism industry.

E-business (electronic business): The conduct of business on the Internet. It is a more generic term than E-Commerce because it refers to not only buying and selling but also servicing customers and collaborating with business partners.

1.7 Contribution of the Study

This thesis will contribute to:

1. The entrepreneur can use the results of the impact of E-Tourism of the tourist's perception on the tourism industry in Thailand.

2. The entrepreneur can use the result of this research to learn the problem of impact of E-Tourism on tourism industry in Thailand.

3. This research provides the overview in Thailand situation in world wide market for people who work in the field of tourism industry for study.

4. This research can be support for the researcher to study further the next academic by using as reference.

1.8 Organization of the Study

This research separated in to 3 chapters. Chapter 1 describes the background, statement of the problem, objective of study, research question, operational definition, and contribution to study. Chapter 2 reviews the relevant literature reviews which lead to formulation of the research methodology working. Chapter 3 presents conceptual framework and method of data collection. Chapter 4 describes data analysis and research results and Chapter 5 presents the conclusion discussion, recommendation, Limitation of the study and Suggestion for the future studies.

2.1 The Related Theories

2.1.1 Five Forces Model

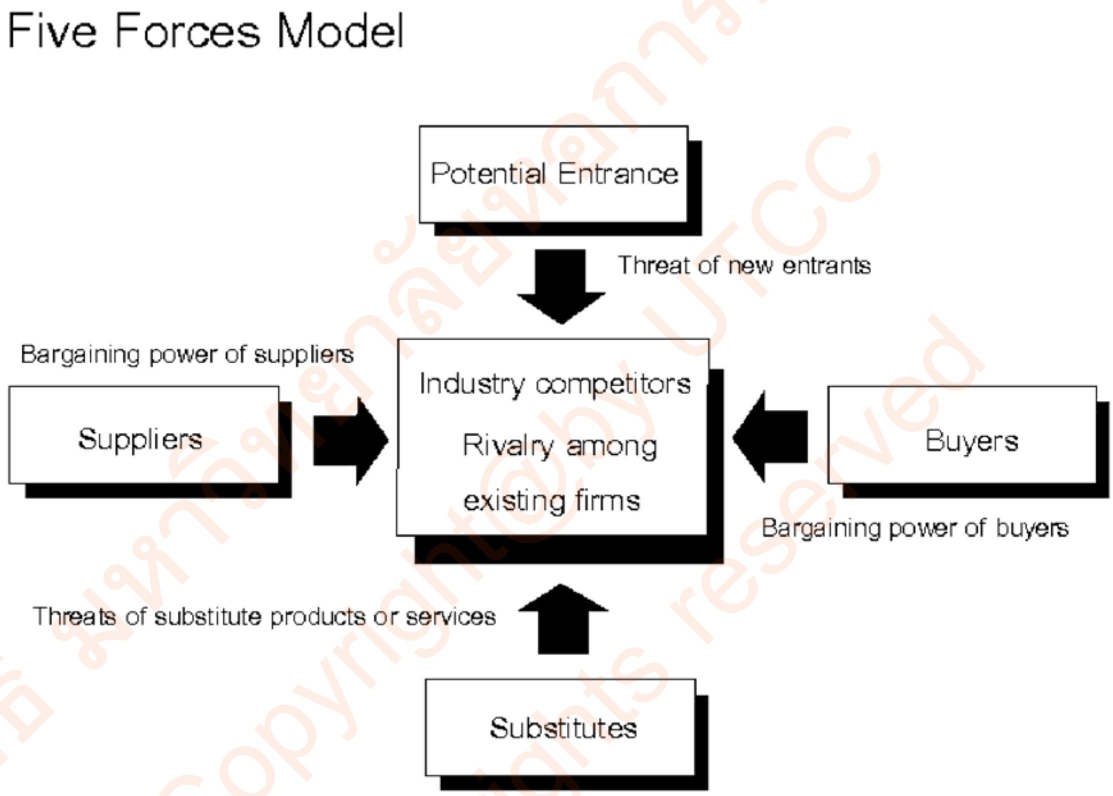

Figure: 2.1 Five Force Model

Source: Managing Competitive Strategy (Cliff Bowman & Timothy Devinney: 1997)

The model of the Five Competitive Forces was developed by Michael E. Porter. Since it has become an important tool for analyzing an organizations industry structure in strategic processes.

Porter's model is based on the insight that a corporate strategy should meet the opportunities and threats in the organizations external environment. Especially, competitive strategy should base on and understanding of industry structures and the way they change.

Porter has identified five competitive forces that shape every industry and every market. These forces determine the intensity of competition and hence the profitability and attractiveness of an industry. The objective of corporate strategy should be to modify these competitive forces in a way that improves the position of the organization. Porter's model supports analysis of the driving forces in an industry. Based on the information derived from the Five Forces Analysis, management can decide how to influence or to exploit particular characteristics of their industry.

Bargaining Power of Suppliers

The term 'suppliers' comprises all sources for inputs that are needed in order to provide goods or services. Supplier bargaining power is likely to be high when the market is dominated by a few large suppliers rather than a fragmented source of supply, there are no substitutes for the particular input, the suppliers customers are fragmented, so their bargaining power is low, the switching costs from one supplier to another are high, there is the possibility of the supplier integrating forwards in order to obtain higher prices and margins. This threat is especially high when the buying industry has a higher profitability than the supplying industry, forward integration provides economies of scale for the supplier, the buying industry hinders the supplying industry in their development (e.g. reluctance to accept new releases of products) and the buying industry has low barriers to entry.

In such situations, the buying industry often faces a high pressure on margins from their suppliers. The relationship to powerful suppliers can potentially reduce strategic options for the organization.

Bargaining Power of Customers

Similarly, the bargaining power of customers determines how much customers can impose pressure on margins and volumes. Customers bargaining power is likely to be high when they buy large volumes, there is a concentration of buyers, the supplying industry comprises a large number of small operators, the supplying industry operates with high fixed costs, the product is undifferentiated and can be replaces by substitutes, switching to an alternative product is relatively simple and is not related to high costs, customers have low margins and are price-sensitive, customers could produce the product themselves, the product is not of strategically importance for the customer, the customer knows about the production costs of the product and there is the possibility for the customer integrating backwards.

Threat of New Entrants

The competition in an industry will be the higher; the easier it is for other companies to enter this industry. In such a situation, new entrants could change major determinants of the market environment (e.g. market shares, prices, customer loyalty) at any time. There is always a latent pressure for reaction and adjustment for existing players in this industry.

The threat of new entries will depend on the extent to which there are barriers to entry. These are typically economies of scale (minimum size requirements for profitable operations), high initial investments and fixed costs, cost advantages of existing players due to experience curve effects of operation with fully depreciated assets, brand loyalty of customers, protected intellectual property like patents, licenses etc, scarcity of important resources, e.g. qualified expert staff, access to raw materials is controlled by existing players, distribution channels are controlled by existing players, existing players have close customer relations, e.g. from long-term service contracts, high switching costs for customers and Legislation and government action.

Threat of Substitutes

A threat from substitutes exists if there are alternative products with lower prices of better performance parameters for the same purpose. They could potentially attract a significant proportion of market volume and hence reduce the potential sales volume for existing players. This category also relates to complementary products.

Similarly to the threat of new entrants, the treat of substitutes is determined by factors like brand loyalty of customers, close customer relationships, switching costs for customers, the relative price for performance of substitutes and current trends.

Competitive Rivalry between Existing Players

This force describes the intensity of competition between existing players (companies) in an industry. High competitive pressure results in pressure on prices, margins, and hence, on profitability for every single company in the industry.

Competition between existing players is likely to be high when there are many players of about the same size, players have similar strategies, here is not much differentiation between players and their products, hence, there is much price competition, low market growth rates (growth of a particular company is possible only at the expense of a competitor), and barriers for exit are high (e.g. expensive and highly specialized equipment).

2.1.2 The online purchasing behavior

The mechanisms of virtual shopping and the behavior of the online consumer is a priority issue for practitioners competing in the fast expanding virtual marketplace (Goeldner, Charles and Ritchie*, 2003*).These developments are gradually transforming E-Commerce into a mainstream business activity while at the same time online consumers are maturing and virtual vendors realize the importance and urgency for a professional and customer-oriented approach. Yet the Internet meltdown at the end of the 1990s and plenty of more recent anecdotal and empirical evidence indicate that many online firms still do not completely understand the needs and behavior of the online consumer (Lee, 2002) while many of them "... continue to struggle with how effectively to market and sell products online" (Joines, 2003).

Factors involved in online decision making

Need recognition

The stimulus that prompts need recognition may come from a number of sources – traditional or online. Although firms employ a variety of online marketing communications, no sizeable firm has abandoned its traditional communications in flavor of an exclusive Web presence and it is widely recognized that Web site traffic is largely dependent on offline communications. Online advertising differs from other media in that its audience may actively seek information, e.g. by visiting a Web site, whereas traditional media play to a passive audience. Banner advertisements, though, fit better with traditional media characteristics.

E-Information search

E-Marketing has benefited from computerized processes to integrate consumer information from marketing databases concerning their characteristics, preferences and records of transactions. Businesses can advertise on Web sites, by e-mail and bulletin boards to speedily and efficiently target consumers and employees and to provide added value between the supplier and those who are supplied.

It is not only businesses that profit by way of gaining valuable information about customers. The communication structures provided by the Internet have also given customers a new role (Wright and Jayawardhena, 2001). Due to their connectivity and interactivity customers can become more empowered as they surf the Web for the best prices or value for money and the latest consumer innovations or special offers. Coupey (2001) argues that one of the key differences that marks online consumer activities is the role that the channel. The Internet allows consumers to gather intelligence that would not be possible in a more traditional market environment. Bulletin boards and news groups provide the opportunity to seek out existing customer, or expert, views, on products and services prior to purchase. Thus the Internet affords the opportunity to involve a number of third parties in an exchange and so complicates the exchange relationship.

E-Purchases

A number of previous studies (Jarvenpaa and Todd, 1997; Burke, 1998) contend that convenience is the principal reason behind consumers making Internet purchases. However, convenience is now giving way to price as the most important reason. Consumers with a balanced orientation, i.e. those concerned with most aspects of traditional purchases (Darden and Ashton, 1974; Williams et al., 1978) have imposed these requirements for their Web use. Brand motivation is an important factor that is in line with findings of earlier studies in the financial services sector (Laroche and Manning, 1984; Devlin et al., 1995; Khazeth and Decker, 1992).

Whilst it is more convenient to purchase from home, the coining of the term “Internet rage” (Financial Times, 2002) is an indicator of some of the inconvenience and disappointments with suppliers that buying on the Web can bring. Factors that are important for online consumers will include speed of service and promptness in delivery, quality of the service encounter and the physical products delivered. Disappointment with an aspect or aspects of these factors or with the time wasted could result in

Internet rage. Hardaker and Graham (2001) stated that the functionality and ease for the E-Commerce transaction is critical to both purchase and post purchase evaluation.

E-evaluation

Early e-shoppers were largely bargain hunters, expecting the lowest prices as a reward for their risk taking. Amazon and other early e-businesses used the lure of cheaper prices to attract the shoppers online. Things have now moved on and, according to the Goldfish e-Tail Price Index, online prices rose by 4 per cent in the year up to February 2002. (Goldifsh.com 2002).

In the last quarter of the twentieth century, shopping styles changed dramatically with self-service and the large store format, greater variety in "off the shelf" and "off the peg" products with a proliferation of choices for consumers. The impetus for the growth in e-marketing has also come from institutions such as the large financial services bodies that have invested in automated technologies, e.g. in automated teller machines (ATMs) and call centers. Small businesses also benefit from e-marketing where the costs of intermediary and customer orders could be reduced or when the speed and reliability of financial transactions are facilitated. However, human beings are social animals and it therefore seems likely that shoppers in cyberspace may seek out personal interactions that are lacking given the impersonal feel of the large store format. Coupey (2001) cited the reaching out and chatting with someone as one of the major uses of the Internet. E-shoppers can turn to each other for the advice that their grandparents relied upon in their traditional relationships with small shopkeepers.

E-post purchase evaluation

The emergence of Internet virtual communities is evidence that e-consumers share the need for post purchase reassurance with their traditional counterparts. Technology speeds diffusion and so ideas about new products and services spread faster around the globe amongst Web users. These communities provide a forum for online shoppers to share experiences and recommend solutions to hitches – often without reference to the brand owner.

2.1.3 Tourism Industry

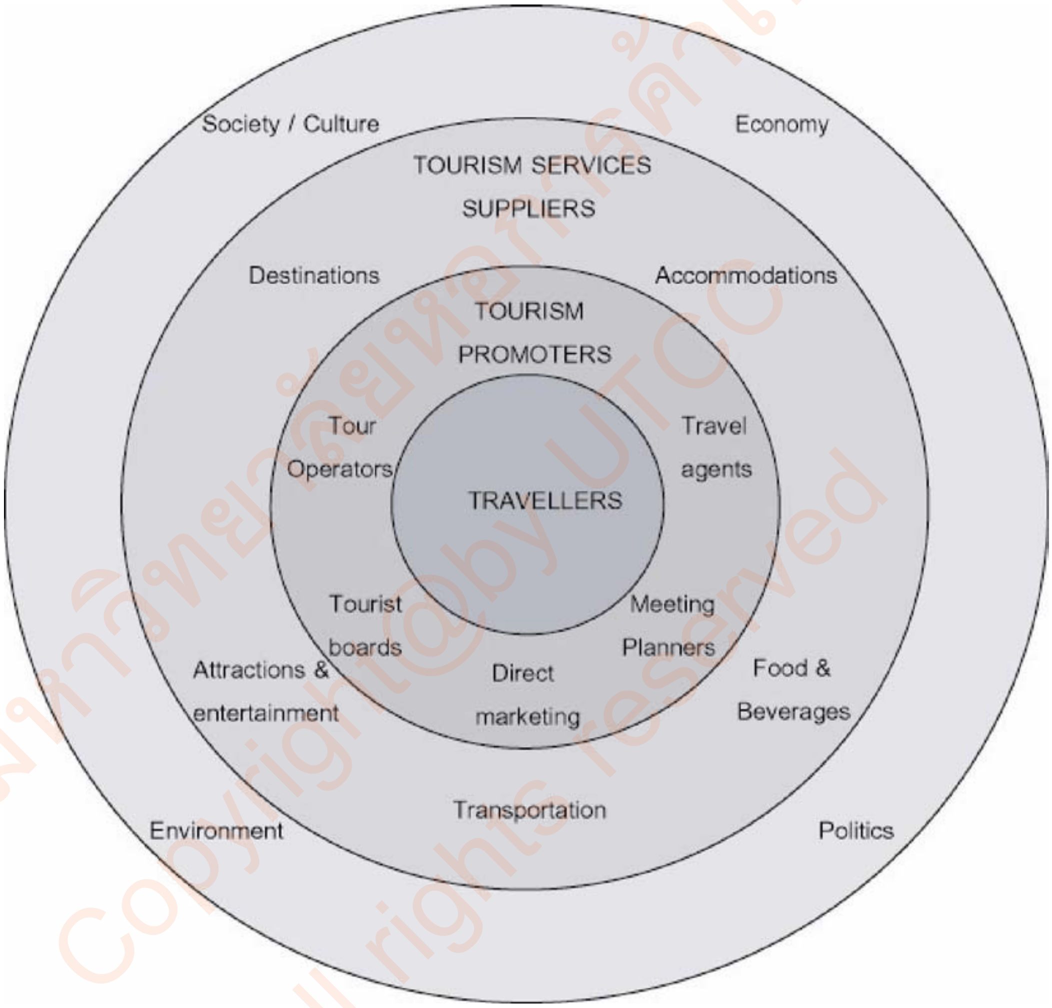

Figure 2.2: An Integrated Model of Tourism

Source: Cook, Yale and Marqua (1989)

The tourism model, notice its open nature and hoe each of the segment is related to the others. This model will begin the study of tourism by looking at travelers(tourists) who serve as the focal point are three large bands containing several interdependent groups of tourism participants and organization.

Individual tourists may deal directly with any of these tourism service suppliers, but they customarily rely on the professional services provided by tourism promoters shown in the first band of model, Tourism promoters, such as travel agencies and tourist boards, provide information and other marketing services. The next band of model, the key tourism suppliers who provide transportation, accommodations, and other services required by travelers.

Tourism suppliers may provide these services independently, they may compete with each other, and in the same times, they may work together for example, airline, bus, railroad, cruise ship, and car rental companies may compete individually for a traveler's business. Hotels and resort may also compete against each other for the same traveler's patronage, yet cooperate with transportation providers to attract tourists to a specific location. Service provides representing all segment of the tourism industry may often work together to develop promotional packages designed to attract tourists to destinations

How closely these individuals and organizations work together is ultimately influenced by the forces shaping the fact of tourism activities. As the model shows, the tourism industry does not operate in a vacuum. All of the participants, either individually or as a group, are constantly responding to a variety of social/culture, political, environmental and economics forces. These forces may range from subtle changes, which are noticeable only after many years, to more dramatic changes, which have immediate and visible impacts. (Cook, Yale and Marqua, 1989)

2.1.4 The tourism system

Tourism is a phenomenon of the modern era and describes, in general terms, everything connected with travel. Generally, there are three constitutive characteristics: change of location, temporary stay and the existence of a motive. According to the definition of the World Tourism Organization and the United Nations, tourism should be understood as *'the activities of persons traveling to and staying in places outside of their* *usual environment for not more than one consecutive year for leisure, business or other purposes'.*

Reverting to system-theoretic knowledge offers the most extensive portrayal of tourism possible, which is characterized, in particular, by interpersonal contact and numerous relations with the environment. Thus, the company is defined as a productive social system that maintains relations with its environments as an open structure. The different sections of the system are so much linked with one another 'that no section is independent of the other sections and the behavior of the whole is influenced by combined effect of all sections' (Holloway J Christopher and Robinson Chris, 1995). All elements outside of the company's system belong to the environment, which can be subdivided into dimensions and institutions. Taking a dimensional view on the environment, it is possible to differentiate between ecological, technological, economic and social spheres. If need be, this can also be extended to the political-legal sphere.

Taking an institutional view on the environment, it is possible to separate institutions or groups from individuals, such as the state, customers, competitors, capital investors, suppliers and employees. As a subsystem of tourism, the tourism subject- the tourist- can be distinguished from the institutional subsystems 'destination', 'tourism company' and 'tourism organization'.

2.1.5 The structure of business travel and tourism

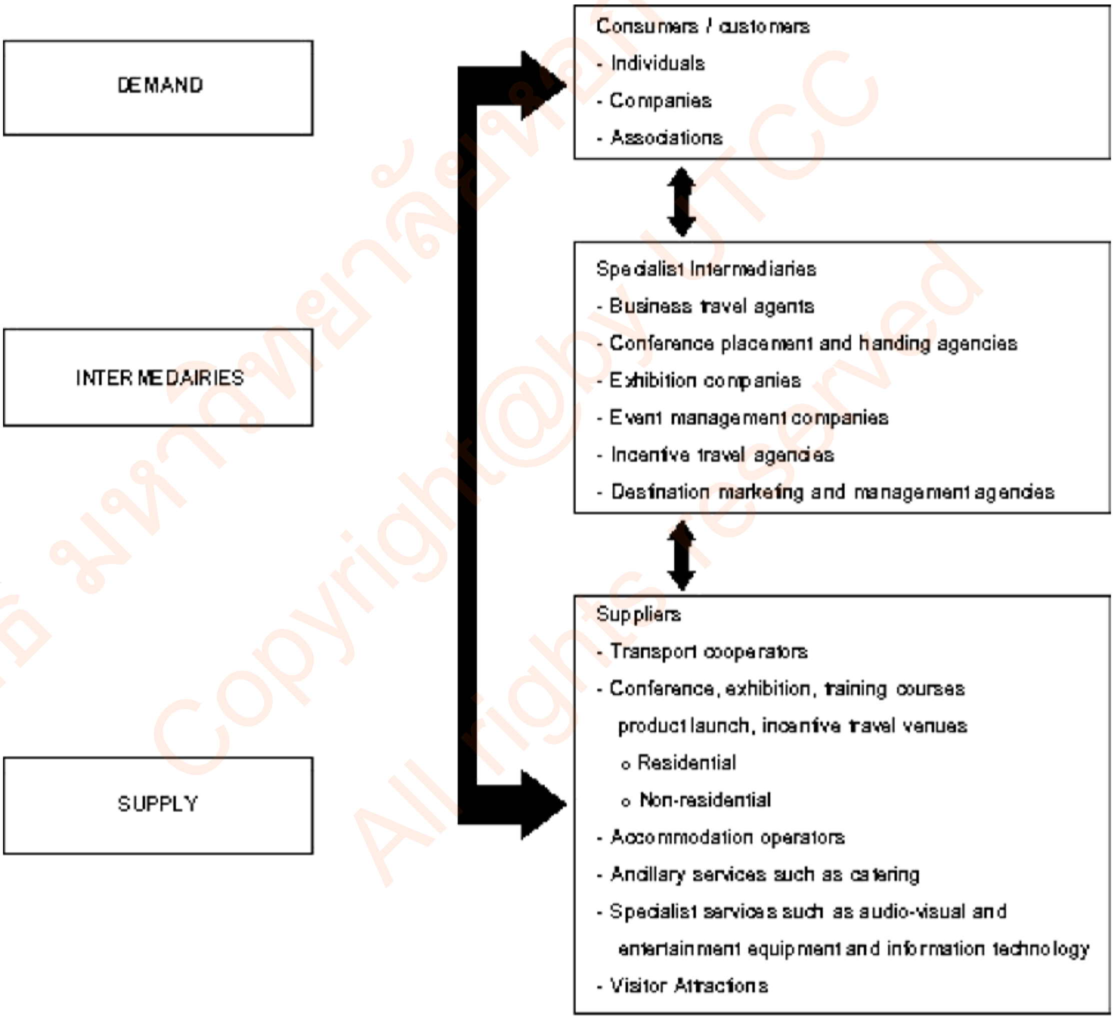

Figure 2.3: The structure of business travel and tourism

Source: After Horner and Swarbrooke (2001).

Figure 2.4 represents an attempt to model the structure of the types of business travel and tourism. Of course, the reality is much more complex than this simple diagram suggests. For example, transport operators include:

- Air, rail, ferry, cruise liner, taxi, bus, coach and rail operators
- Transport operators offering transport to the destination
- Transport operators operating transport networks within the destination.

It is also clear that there is a high degree of interdependency between the various players involved in business travel and tourism. For example, incentive travel agencies rely on the services of airlines, entertainment providers, hotels, restaurants and visitor attractions so that they can meet the needs of their clients

2.1.6 Intermediary

Intermediaries in tourism

The tourism industry has traditionally been characterized by its use of intermediaries. Travel agents have long been the friendly face of travel distribution. Despite the dominance in the past of travel agents as middlemen to the tourism business, other types of intermediary have also come to be associated with the industry, for example hotel marketing and booking schemes, travel clubs, incentive travel organizations and sales representatives. More recent developments have included the Institute of Computer Technology (ICT) such as the Internet, computerized reservations systems (CRS) and global distribution systems (GDS). Taken together, these represent a greatly increased choice of distributive methods than was available in the not so distant past. We will return to some of these forms of distribution later.

Arguments both for and against the use of intermediaries have been postulated in the literature. Christopher (1995), for example, discusses these in general terms while Pender (2005) examines tourism with reference to the use of travel agents as middlemen. There are, however, problems associated with the use of middlemen. Controlling distribution, for example, has been a major issue for principals in the tourism industry. The more an organization uses intermediaries and the more distant these are from the as some principals within the tourism industry have adopted a low-cost strategy and shown a preference for direct sales (any sale made without the use of an intermediary service can be said to be a direct sale).(Pender and Sharpley,2005)

Why use intermediaries?

Although tourism service suppliers such as airlines, theme parks, and restaurants may reach some of their customers directly, they can also use the distribution services provided by one or more intermediaries. Intermediaries perform a vital function for tourism service suppliers by making the supplier' services available to large numbers of potential customers in a cost-effective way. These services may be as simple as providing directions for a motorist at a welcome center to more-complex service activities such as packaging, selling, and then escorting tour groups.

Intermediaries in tourism distribution channels per form a variety of value-adding functions. Examples of just a few of these distribution functions are

Providing information about the types and availability of service offerings,

Contacting current and potential customers,

Making reservations and other travel arrangement,

Assembling services to meet customer need,

Risk-taking by buying or booking large quantities of services in advance and then reselling them to individuals and groups

The expenses of selling services through an intermediary typically occur in the form of commissions and do not arise until the services have been sold or used. The company providing the final service such as the airline, cruise line, hotel, resort, or car rental company pays the commission on each ticket sold or reservation used. Although the user may pay a small service fee, the cost of obtaining the services are usually paid by the service supplier in the form of a commission and not by the customer.

Why are service suppliers willing to pay intermediaries for their services? The answers to this question can be found in increased sales and efficiencies provided by the intermediaries. (Cook, Yale and Marqua,1989)

2.1.7 E-commerce

Electronic commerce (E-Commerce), Internet marketing and online shopping is now common terms used by business executives and common citizens around the world. In fact, many consumers now think it is trendy to shop online and even conduct online trade. (Sweeny, 2000)

Electronic commerce is the process of trading goods, information, or services via computer networks including the Internet (Fraser et al., 2000; Turban et al., 2000, p. 4). It can be distinguished from the broader concept of e-business that refers to any business operation conducted through information networks, such as customer services, Enterprise resource planning (ERP), and knowledge sharing. Although E-Commerce refers to trade via any information network such as Electronic Data Interchange (EDI), the emergence of the Internet, with its "open commercial exchange" approach has been the major force behind its fast growth. There is increasing consensus that E-Commerce will represent a large share of retail markets in the future. (Goeldner, Charles R. and Ritchie, J.R. Brent, 2003)

E-Commerce models

While few existing E-Commerce models deal directly with the planning issues of E-Commerce, many of the models have implications in the E-Commerce planning process. While examining a large variety of published E-Commerce models, we observed that each model tends to represent a specific view of E-Commerce. These multi-faceted and sometimes overlapping views hindered a reasonable classification of existing E-Commerce models. This research will show the models describing E-Commerce.

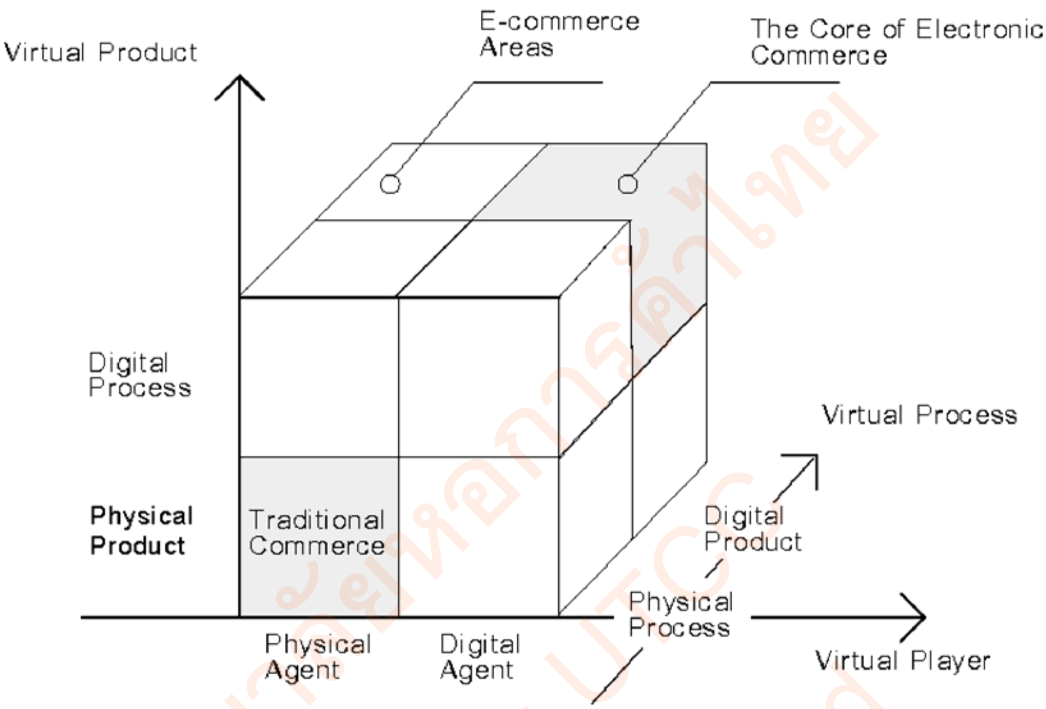

Figure 2.4 Electronic commerce areas

Source: Adapted from Choi et al.(1997)

This model depicts differences between E-Commerce and traditional commerce. It portrays E-Commerce as a three-dimensional space, with purely traditional commerce in the front bottom left area and purely electronic commerce in the back top right area. All other portions represent a mixture of the two commerce vehicles. This model also identifies product, agent and process as being three key dimensions by which to distinguish E-Commerce from traditional commerce.

The relevancy of this model to the E-Commerce planning process is threefold. First, the representation underlines that E-Commerce may be implemented to complement an existing or new venture, or may be used to establish a totally electronic venture. Second, it identifies product, agent, and process as three important dimensions when planning an E-Commerce venture. These three dimensions could be generalized under discussions such as marketing of product, technology, and operations. Third, it helps an organization visualize positioning in the spectrum of E-Commerce ventures. It does not, however, assist in developing an E-Commerce strategy

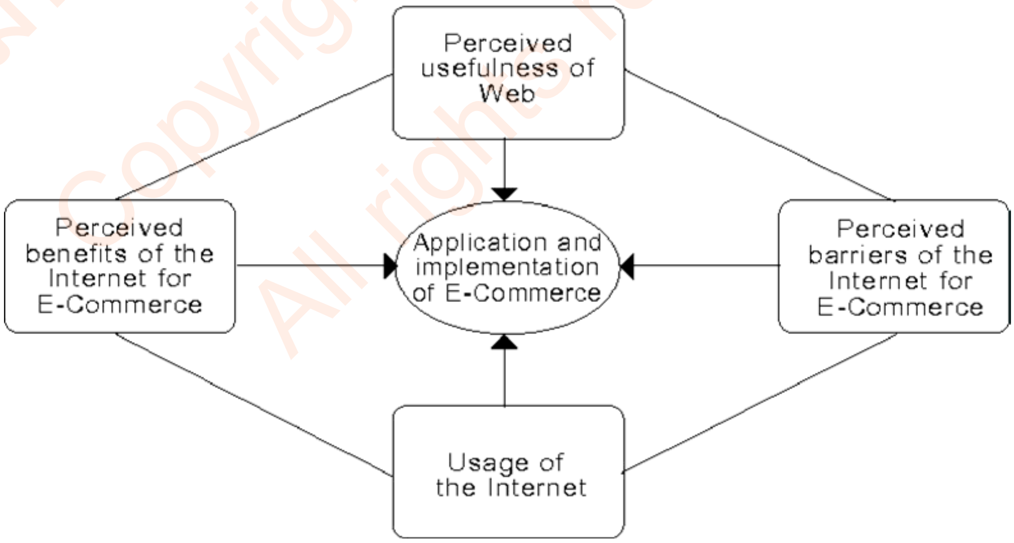

Figure 2.5 Theoretical framework for the implementation of e-commerce

Source: Gunasekaran and Ngai (2005)

The model presented here is developed using the current issues that have been highlighted as important E-Commerce implementation success factors. The following are the major dimensions of E-Commerce implementation in Hong Kong industries: barriers to the implementation of e-commerce; and benefits achievable through e-commerce. A conceptual model, as presented in Figure 2.4.2, has been used to study the status of the application and implementation of E-Commerce in Hong Kong industries. The conceptual model shown in Figure 2.4.2 illustrates the major factors that influence the application and implementation of e-commerce, namely: perceived usefulness of web; perceived barriers of the internet for e-commerce; usage of the internet; and perceived benefits of the internet for e-commerce. This model is based on the analysis of literature and some reported case experiences.(Gunasekaran and Ngai , 2005)

What do consumers buy online?

The major product categories of shopping include those items that are standard and require little information. They purchase products ranging from food, apparel, magazine subscriptions, books, CD's, medicine to furniture, and consumer electronics. Travel related services are on the top of the list of the products/services purchased online. In fact on-line travel sales are predicted to quadruple by 2003-to more than $29 billion. However, this amount still represents only 10 percent of all travel sold. Most upscale travelers still rely on traditional travel agents (Bush, 2000). Most travel related web sites offer sales of airline tickets, hotel reservations, automobile rental sales and reservations. Many also offer package deals and promotional package deals in cooperation with airlines, hotels and auto rental agencies. According to studies, consumers prefer using the travel web sites such as expedia.com, travelocity.com, and priceline.com because they can compare prices and services offered quickly. A study conducted by NPD Online Research shows that almost 70 percent of Internet users have visited a travel-related site. The most popular sites are any airline site (82%); any hotel site (61%); Travelocity.com (51%); any car rental site (42%); Expedia.com (35%); ITN.com (15%); Previewtravel.com (14%), and Travel.epicurious.com (10%). (Karakaya, Charlton, 2000)

Future of Internet and E-Commerce

Businesses and consumers will continue to use the Internet for more reasons than ever. As the emergence of new businesses such as search engines and auction houses, travel sites many more new businesses will be created. Bandwidth, which for many years has been the greatest barrier to Internet development, is expanding. High-speed access via digital fiber-optic network or satellite, supported by advanced digital compression technology, will become commonplace. The real-time communication and feedback is now possible, but will become widespread in the near future. (Susan, 2001)

2.1.8 E-Tourism

The definition and concept of E-Tourism

The term 'E-Tourism ' is used in this document to refer to e-business in the field of travel and tourism the use of Information and Communication Technology (ICT) to enable tourism providers and destinations to operate more efficiently, and to reach and serve consumers more effectively with facilities to search, compare and book tourism products.

E-business not only embraces the use of new media, such as the Internet and e-mail, but also enables more efficient use of traditional media such as brochures and advertising. It incorporates the ability to conduct sales online, with fundamental implications for the way businesses work. E-business has the potential to transform the way in which businesses or organizations function, through integrating systems for management of stock or availability (e.g. of hotel rooms), procurement of supplies, financial administration, marketing, sales and other transactions.

The Internet provides direct access to consumers, and is also a tool for business to business communication. Increasingly, it will provide consumers and intermediaries with far richer information, increased choice and the facility to make bookings immediately. It will also offer tourism organizations and businesses the tools to promote, communicate and transact with consumers and other tourism businesses.

E-Tourism is the application of e-business to the field of tourism. E-business may be defined as “Any process that a business organization conducts over a computer network - external & internal processes” [US Census bureau-similar to OECD 2001]. It is a much broader concept than ‘E-Commerce’, which is about transactions undertaken over a computer network. Thus E-Business embraces e-commerce, as well as e-marketing and e-procurement. WTO’s publication, “E-Business for Tourism”, provides further information. (2004)

2.1.10 Internet usage and population

Table 2.1 World internet usage and population statistics

World Regions	Population (2006 Est.)	Population % of World	Internet Usage, Latest Data	% Population (Penetration)	Usage % of World	Usage Growth 2000-2005
Africa	915,210,928	14.1 %	23,649,000	2.6 %	2.3 %	423.9 %
Asia	3,667,774,066	56.4 %	364,270,713	9.9 %	35.6 %	218.7 %
Europe	807,289,020	12.4 %	291,600,898	36.1 %	28.5 %	177.5 %
Middle East	190,084,161	2.9 %	18,203,500	9.6 %	1.8 %	454.2 %
North America	331,473,276	5.1 %	227,303,680	68.6 %	22.2 %	110.3 %
Latin America/Caribbean	553,908,632	8.5 %	79,962,809	14.4 %	7.8 %	342.5 %
Oceania / Australia	33,956,977	0.5 %	17,872,707	52.6 %	1.7 %	134.6 %
WORLD TOTAL	6,499,697,060	100.0 %	1,022,863,307	15.7 %	100.0 %	183.4 %

NOTES: (1) Internet Usage and World Population Statistics were updated for March 31, 2006. (2) CLICK on each world region for detailed regional information. (3) Demographic (Population) numbers are based on data contained in the world-gazetteer website. (4) Internet usage information comes from data published by Nielsen//NetRatings, by the International Telecommunications Union, by local NICs, and other other reliable sources. (5) For definitions, disclaimer, and navigation help, see the Site Surfing Guide. (6) Information from this site may be cited, giving due credit and establishing an active link back to www.internetworldstats.com. ©Copyright 2006, Miniwatts Marketing Group. All rights reserved.

Source: http://www.internetworldstats.com/stats.htm

Africa has 915,210,928 populations in its region or 14.1% in the world. For the latest data, Africa has 23,649,000 Internet usage or 2.6% of its region. It is 2.3% of Internet usage when compared to other regions in the world and the growth rate is 423.9% during 2000-2005.

Asia has 3,667,774,006 populations in its region or 56.4% in the world. For the latest date, Asia has 364,270,713 Internet usage or 9.9% of its region. It is 35.6% of Internet usage when compared to other regions in the world and the growth rate is 218.7% during 2000-2005.

Europe has 807,298,020 populations in its region or 12.4% in the world. For the latest date, Europe has 291,600,898 Internet usage or 36.1% of its region. It is 28.5% of Internet usage when compared to other regions in the world and the growth rate is 177.5% during 2000-2005.

Middle East has 190,084,161 populations in its region or 2.9% in the world. For the latest date, Middle East has 18,203,500 Internet usage or 9.6% of its region. It is 1.8% of Internet usage when compared to other regions in the world and the growth rate is 454.2% during 2000-2005.

North America has 331,473,216 populations in its region or 5.1% in the world. For the latest date, Middle East has 227,303,680 Internet usage or 68.6% of its region. It is 22.2% of Internet usage when compared to other regions in the world and the growth rate is 110.3% during 2000-2005.

Latin America/Caribbean has 553,908,632 populations in its region or 8.5% in the world. For the latest date, Middle East has 79,962,809 Internet usage or 14.4% of its region. It is 7.8% of Internet usage when compared to other regions in the world and the growth rate is 342.5% during 2000-2005.

Oceania/Australia has 33,956,977 populations in its region or 0.5% in the world. For the latest date, Middle East has 17,872,707 Internet usage or 52.6% of its region. It is 1.7% of Internet usage when compared to other regions in the world and the growth rate is 134.6% during 2000-2005.

Table 2.2 Asia internet usage and population

ASIA	Population (2006 Est.)	Internet Users, (Year 2000)	Internet Users, Latest Data	Penetration (% Population)	(%) Users in Asia	Use Growth (2000-2005)
Afganistan	26,508,694	-	**25,000**	0.1 %	0.0 %	n/a %
Armenia	2,967,116	30,000	**150,000**	5.1 %	0.0 %	400.0 %
Azerbaijan	8,388,479	12,000	**408,000**	4.9 %	0.1 %	3,300.0 %
Bangladesh	136,138,461	100,000	**300,000**	0.2 %	0.1 %	200.0 %
Bhutan	796,314	500	**20,000**	2.5 %	0.0 %	3,900.0 %
Brunei Darussalem	393,568	30,000	**56,000**	14.2 %	0.0 %	86.7 %
Cambodia	15,017,110	6,000	**41,000**	0.3 %	0.0 %	583.3 %
China	1,306,724,067	22,500,000	**111,000,000**	8.5 %	30.5 %	393.3 %
East Timor	947,401	-	**1,000**	0.1 %	0.0 %	0.0 %
Georgia	4,435,046	20,000	**175,600**	4.0 %	0.0 %	778.0 %
Hong Kong *	7,054,867	2,283,000	**4,878,713**	69.2 %	1.3 %	113.7 %
India	1,112,225,812	5,000,000	**50,600,000**	4.5 %	13.9 %	912.0 %
Indonesia	221,900,701	2,000,000	**18,000,000**	8.1 %	4.9 %	800.0 %
Japan	128,389,000	47,080,000	**86,050,000**	67.2 %	23.7 %	83.3 %
Kazakhstan	14,711,068	70,000	**400,000**	2.7 %	0.1 %	471.4 %
~~Korea, North~~	~~23,312,595~~	~~-~~	~~-~~	~~-~~	~~-~~	~~n/a %~~
Korea, South	50,633,265	19,040,000	**33,900,000**	67.0 %	9.3 %	78.0 %
Kyrgystan	5,377,484	51,600	**263,000**	4.9 %	0.1 %	409.7 %
Laos	5,719,497	6,000	**20,900**	0.4 %	0.0 %	248.3 %
Macao*	490,696	60,000	**201,000**	41.0 %	0.1 %	235.0 %
Malaysia	27,392,442	3,700,000	**10,040,000**	36.7 %	2.8 %	171.4 %
Maldives	298,841	6,000	**19,000**	6.4 %	0.0 %	216.7 %
Mongolia	2,568,204	30,000	**200,000**	7.8 %	0.1 %	566.7 %
Myanmar	54,021,571	1,000	**63,700**	0.1 %	0.0 %	6,270.0 %
Nepal	25,408,817	50,000	**175,000**	0.7 %	0.0 %	250.0 %
Pakistan	163,985,373	133,900	**7,500,000**	4.6 %	2.1 %	5,501.2 %
Philippines	85,712,221	2,000,000	**7,820,000**	9.1 %	2.1 %	291.0 %
Singapore	3,601,745	1,200,000	**2,421,000**	67.2 %	0.7 %	101.8 %
Sri Lanka	19,630,230	121,500	**280,000**	1.4 %	0.1 %	130.5 %
Taiwan	22,896,488	6,260,000	**13,800,000**	60.3 %	3.8 %	120.4 %
Tajikistan	6,620,008	2,000	**5,000**	0.1 %	0.0 %	150.0 %
Thailand	66,527,571	2,300,000	**8,420,000**	12.7 %	2.3 %	266.1 %
Turkmenistan	6,723,715	2,000	**36,000**	0.5 %	0.0 %	1,700.0 %
Uzbekistan	26,311,197	7,500	**880,000**	3.3 %	0.2 %	11,633.3 %
Vietnam	83,944,402	200,000	**5,870,000**	7.0 %	1.6 %	2,835.0 %
TOTAL ASIA	**3,667,774,066**	**114,303,000**	**364,270,713**	**9.9 %**	**100.0 %**	**218.7 %**

NOTES: (1) The Asian Internet Statistics were updated for December 31, 2005. (2) CLICK on each country name to see detailed data for individual countries and regions. (3) The demographic (population) numbers are based on data contained in world gazetteer. (4) The usage numbers come from various sources, mainly from data published by Nielsen//NetRatings , ITU , and other trustworthy sources. (5) Data may be cited, giving due credit and establishing an active link to Internet World Stats. (6) For definitions and help, see the site surfing guide.

Source: http://www.internetworldstats.com/stats3.htm#asia

From the table of Asian Internet statistic, there are top five countries most popular in using Internet in Asia. Hong Kong has 7,054,867 populations in its country. For the latest data, there is 4,878,731 Internet users or 69.2% of the population. Japan has 123,389,000 populations in its country. For the latest data, there is 86,050,000 Internet users or 67.2% of the population. Singapore has 3,601,745 populations in its country. For the latest data, there is 2,421,000 Internet users or 67.2% of the population. South Korea has 50,633,265 populations in its country. For the latest data, there is 33,900,000 Internet users or 67.0% of the population.Taiwan has 22,896,488 populations in its country. For the latest data, there is 13,800,000 Internet users or 60.3% of the population.

For Thailand, it has 66,527,571 populations in its country and 8,420,000 Internet users or 12.7% of the population.

2.2 Related Research

Law, Leung and Wong, (2004) state of that , "The impact of the internet on travel agencies", examine tourist perceptions of the potential for the elimination of travel agencies in the presence of the Internet. The opinions of 413 tourists on making transactions through both Internet-based (hereafter, online) and traditional distribution channels were analyzed. Experimental results illustrated that tourists still used professional services and advice offered by travel agencies. Tourists also agreed that more information could be found through the Internet. Following the findings, the paper suggests that both online and traditional distributional channels can coexist in the future.

Gratzer, Werthner, and Winiwarter,(2004) declare to their research “Electronic business in tourism”. The research projects focus on the tourism area from different perspectives. This paper provides an overview of the work within the xCom project in this research area by looking at trends and developments within the E-Tourism area. They give an overview of the travel and tourism industry and the changes caused by ICT. These changes lead to several threats and opportunities which will be ton construct is needed. Third, additional independent measures such as income should be included to understand the additional demographics factors related to online purchase.

Vasudavan and Standing (1999) this study mentioned that, “The impact of the internet on the role of travel consultants”, discusses the attitude and views of travel consultants on the impact of Internet related technologies on their future employment and their abilities to cope with the threat of disintermediation. Against this background, a number of questions need to be addressed. What is the attitude of consultants towards new technologies in travel distribution? Are travel consultants prepared to meet the new challenges? What will be the role of travel consultants? Using a survey of 102 travel consultants, the paper shows the lack of awareness and negative attitude displayed by travel consultants in this rapidly changing distribution environment. The paper further suggests measures and training programs that could be undertaken to address the situation.

Law and Hsu, (2005) this study argued that, “Customers’ perceptions on the importance of hotel web site dimensions and attributes”, aims to report an exploratory study that investigated the perceived importance of dimensions and attributes on hotel web sites from the perspective of travelers. Empirical results indicated that respondents viewed reservation information as the most important dimension, and room rates as the most important attribute. In addition, respondents viewed that the included dimensions and attributes were more important on web sites of up-scale hotels than on web sites of economy hotels.

3.1 Conceptual Framework

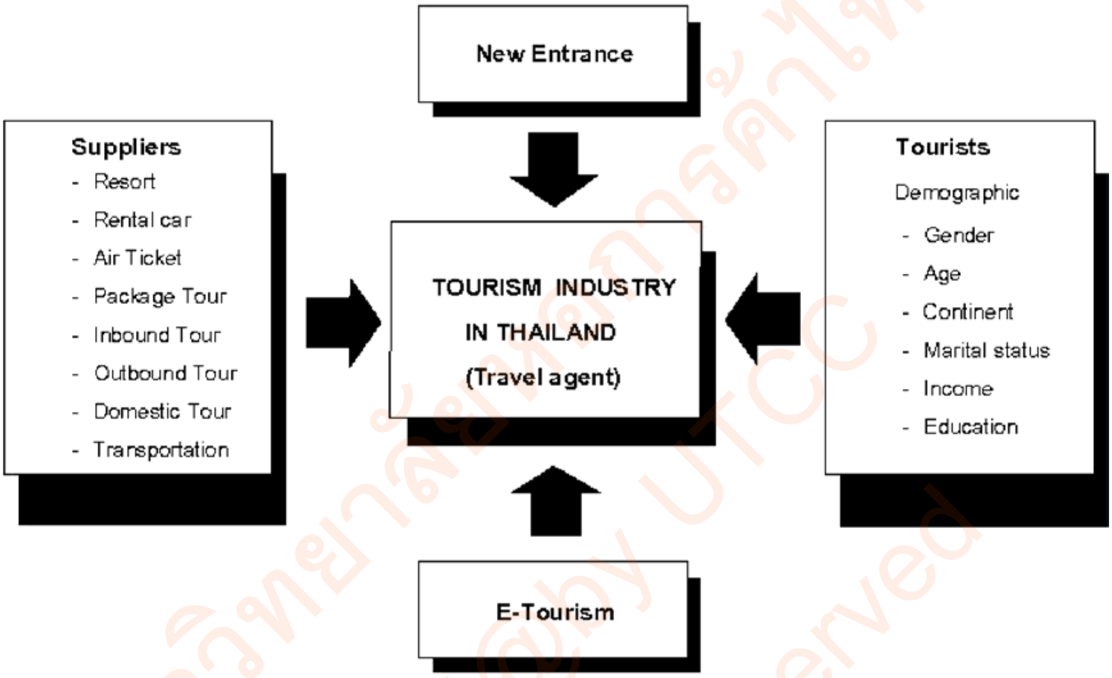

Figure 3.1: Conceptual Framework

Source: Adapted from Michael E. Porter (2001)

3.2 Population and Sample size

Study Population

The populations of this study are international travelers who were visiting Thailand for leisure during the months of May and June, 2006 and Entrepreneurinvolved in the travel industry in Thailand. Both populations were assessed using quantitative research. Entrepreneurin Thailand were assessed using qualitative research.

3.2.1 Tourist

Population:

The first population is the average number of tourists arriving in Thailand (2000-2004) as indicated in table 3.1. Yearly tourist arrivals are also indicated in table 3.1.

Table 3.1: Number of Tourist arrival to Thailand during the period 2000 to 2004

Year	Number of tourist arrival in a year
2004	11,737,413
2003	10,082,109
2002	10,872,976
2001	10,132,509
2000	9.578,826
Average	10,480,766

Source: Tourism Authority in Thailand (2005)

Sample Size:

Taro Yamane (1973) recommended the formula for random samples as below:

$n = N/(1+Ne^2)$

where: n is the size of the sample,

N is the population of the sample, and

e^2 is the probability of error.

Thus, the sample size for the study has been calculated according to the recommended procedure as follows:

$$n = \frac{10{,}480{,}766}{\{1+10{,}480{,}766\,(0.05)^2\}}$$

$$= \text{approximate} = 399.98 = 400$$

With N = 10,480,766 and e = 5% (at 95% confidence level).

Hence the sample size is 400 respondents.

3.2.2 Entrepreneurs

Population:

The second population is Entrepreneur from travel agencies. This research began with the listing of the specified 100 respondents.

Sample Size:

Simple random sampling drew lots of 100 respondents from the list of travel agents in Bangkok registered with the Bangkok Tourism Business and Guide Register Office in September, 2005.

3.2.3 Tourism Experts Survey

The third population of experts was used in snowball sampling to interview 7 respondents.

Sample Size:

This snowball method is a special no-probability method used when the desired sample characteristic is rare. It may be extremely difficult or cost-prohibitive to locate respondents in these situations. Snowball sampling relies on referrals from initial subjects to generate additional subjects. While this technique can dramatically lower search costs, it comes at the expense of introducing bias because the technique itself reduces the likelihood that the sample would represent a good cross-section of the population.

1. The researcher started to interview Mr. Suparerk Soorangura, the past President in 2001 – 2004 of The Association of Thai Travel Agents (ATTA), but he was too busy to finish.
2. He assigned Mr. Prayuth Tongperm and Mr. Woodhichai Makwong to represent him as the interview continued.
3. The researcher asked Mr. Prayuth Tongperm and Mr. Woodhichai Makwong to identify another two persons who are also experts.
4. Mr. Prayuth Tongperm suggested Mr. Chaisong Churit.
5. The researcher asked Mr. Chaisong Churit to identify another person as knowledgeable as himself.
6. Mr. Chaisong Churit presented for an interview Ms. Suchada Borsub.
7. Mr. Woodhichai Makwong recommended two experts, Mr. Choochart Tongkam and Mr. Surasak Pholmafuang.

8. Finally, the researcher asked Mr. Choochart Tongkam to suggest the last expert. His name is Mr. Suthiphong Pheunphiphop.

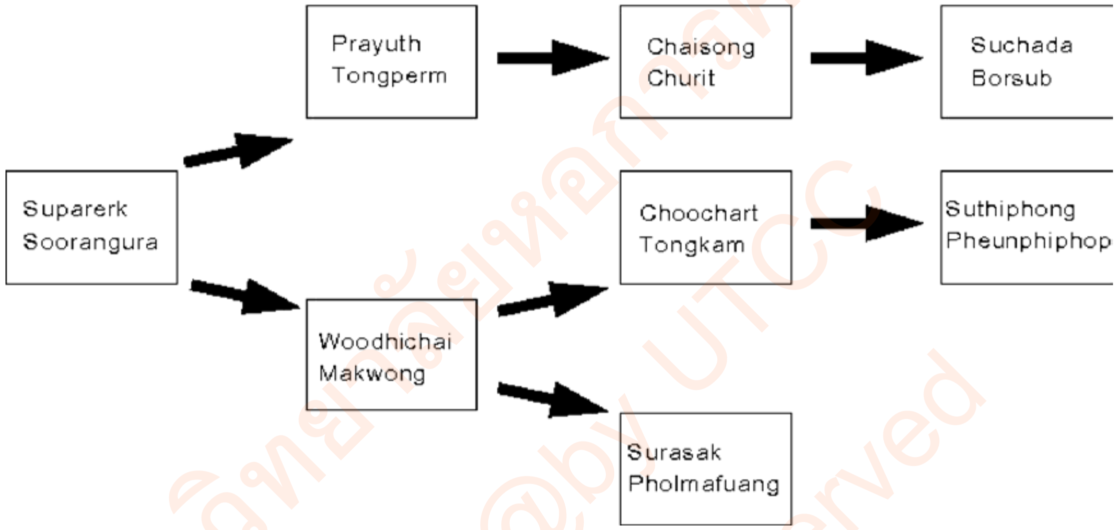

Figure 3.2: The researcher and the list of experts are as follows:

1. Name: Mr. Suparerk Soorangura

   Position: -Managing Director, N.S. Travel & Tours Co., Ltd.

2. Name: Mr. Prayuth Tongperm

   Position(s): -Director of Domestic Tours and Deputy Managing Director, N.S. Travel & Tours Co., Ltd.

   -Vice President, Association of Domestic Travel

   -Consultant, Thai Ecotourism and Adventure Travel Association

	-Attraction Survey Consultant, Association of Thai Travel Agents (ATTA)
	-Tourism lecturer
3. Name:	Mr. Woodhichai Makwong
Position:	-Marketing Director, N.S. Travel & Tours Co., Ltd
4. Name:	Mr. Choochart Tongkam
Position(s):	-Managing Director, Roongroj Tour Travel Center Co., Ltd and Roongroj Transport Co., Ltd
	-President of The Travel & Service Transportation Association (TSTA)
	-Vice President of Association of Domestic Travel
5. Name:	Mr. Surasak Pholmafuang
Position(s):	-Managing Director, Zanda Convention & Fair Tour Co., Ltd.
	-Vice-president, Association of Domestic Travel
6. Name:	Ms. Suchada Borsub
Position:	-Director of Marketing Information Technology Division, Tourism Authority in Thailand

7. Name: Mr. Suthiphong Pheunphiphop

Position(s): -Managing Director, Glory Travel

-Committee Member, Domestic Operators Association

-Committee Member, Thai Travel Agents Association

-Member, Rotary Club of Thonburi

8. Name: Mr. Chaisong Churit

Position(s): -Executive Director, Information Technology, Tourism Authority in Thailand

-Director of Domestic Marketing Department, Tourism Authority in Thailand

-Director of Fukuoka Office, Japan

3.3 Research Instruments

The questionnaire is shown in Appendix A. To ensure accuracy, the questionnaire was developed by the following process:

1. A review of academic literature, texts and research articles to identify the variables that relate to this study.

2. A draft questionnaire was devised based on a review of literature, previous research and the interviews.

3. Pre-testing took place to ensure the respondents understood the questionnaire.

Based on the results of questionnaire pretests, some modifications were made to the research instrument to make sure that respondents understood all questions in the questionnaire.

There are two research instruments for this study.

3.3.1 Questionnaire

The structure of the questionnaire is very much determined by the need to keep it within the objectives of the study and its conceptual framework. When designing possible versions of the questionnaire, a great deal of thought was given to its comprehensiveness and length. Short questionnaires with conceptually clear and concise statements were judged to be desirable for both the respondents and the research (Zikmund, 2000). With no obvious gains for the participants from cooperating in the research, it would not be reasonable to expect them to spend too much of their time completing the questionnaire. The exclusive uses of closed questions for the questionnaire were considered important to fulfill that aim. This research adapted information from the following studies: “The impact of the internet on travel agencies”, Law, Leung and Wong, (2004) “Attitude and age differences in online buying”, Sorce, Perotti and Widrick (2005), “Identifying key factors affecting consumer purchase behavior in an online shopping context”, Chung-Hoon Park, Young-Gul Kim (2003) “International usage by international travelers: reasons and barriers”, Heung (2003).

The primary questions about demographic characteristics of Internet users and descriptive statistics of the respondents’ profiles were developed from the research of Chung-Hoon Park, Young-Gul Kim (2003) and Heung (2003). For tourists completing the task, the questionnaire consists of three main parts: a) general demographic characteristics of respondents who are internet users, b) reasons for using the Internet (e.g. surfing for information/making purchases), and c) the tourists’ perceptions of E-Tourism .

For entrepreneurs, the questionnaire consists of three main parts. They are a) the entrepreneur's profile, b) the entrepreneur's perceptions and c) the perceptions of entrepreneurs concerning E-Tourism .

3.3.2 Interview

For the tourism experts, the questionnaire was separated into main two parts. They are a) general demographic characteristics of respondents who are the tourism experts and b) interview the tourism experts to learn their perceptions.

3.4 Test of reliability

3.4.1 Content validity of tourists was tested by consulting the major advisor and thesis committee for arranging the context and ordering the questions to make them easy to read and ensure they cover the objectives of the study.

3.4.2 The questionnaire was tried out with 30 international tourists at Bangkok International Airport. The researcher then analyzed the discrimination power of the data and reliability with Cronbach's coefficient alpha formula as follows: (Boonchom Srisarsd, 1989)

$$\alpha = \frac{K}{K-1}\left[1-\frac{\sum S^2 i}{S^2 t}\right]$$

When α = Reliability point

K = Number of questionnaires

$S^2 i$ = Total of variance of each item

$S^2 t$ = the variance of total score

According to this formula, the tourists' perception of E-Tourism in part 2 was 0.95

3.4.3 The researcher completed the questionnaire with the results from 30 respondents.

3.5 Data Collection Method

The researcher asked tourists in the departure terminal of Bangkok International Airport who had surfed for information or purchased tourism products during the months of May and June, 2006 to respond to the questionnaires. They were screened by the following question: "Did you use the internet to locate travel information before you came to Thailand?" The researcher's purpose was to collect 400 respondents from the tourists who answered "yes". As for the tourists who answered "no", the researcher has provided the results in the chapter 4. Additionally, the questionnaires were distributed to Entrepreneurat travel agencies in Thailand during the months of April and May, 2006. The questionnaires were also presented to experts in the tourism industry during the months of May and June, 2006.

The data collection methods of this research were separated into three phases:

Phase I: Pilot Study

Pretests were conducted to assess the quality, face validity, and content validity of the measurement items in the questionnaire. A questionnaire containing properties of measures was administered to tourism experts with knowledge of or travel experience with E-Tourism . They were asked to complete the questionnaire and point out any item that was either ambiguous or otherwise difficult to answer. Based on detailed comments, some items were modified and others eliminated. This resulted in some changes to the pre-test scale.

Phase II: Survey Research

After pretesting and modifying the questionnaire, the researcher continued the survey by:

1. asking the tourists to answer the questionnaire

2. asking travel agency executives to answer the questionnaire by telephone

3. requesting travel and Entrepreneurto answer the online-questionnaire by e-mail.

4. Interviewing the travel and Entrepreneur(the researcher herself).

3.6 Data analysis

In this section, the results of interviews and questionnaires are presented. Based on the data collected, the analysis is divided into three phases:

<u>Phase One:</u> the tourists' data was collected by questionnaires and analyzed with an SPSS program. Phase One data is presented in percentage, mean, and standard deviation.

Phase Two: the tourism professionals' data was collected by questionnaires and analyze by SPSS program. Phase Two data is presented in percentage, mean, and standard deviation.

Phase Three: the tourism experts' opinions about the appropriate policies to maintain and improve the impact of E-Tourism on the tourism industry were collected through interviews with the respondents.

3.6.1 Research analysis, statistics and interpretation of questionnaire

With 5 point scales, the interval for dividing the range to measure each variable is calculated by:

$$\frac{5-1}{5} = 0.8$$

This means that items with scores below fall between the ranges of:

1.00 – 1.80: Strongly disagree level

1.81 – 2.60: Disagree level

2.61 – 3.40: Neutral level

3.41 – 4.20: Agree level

4.21 – 5.00: Strongly agree level

Data from questionnaires were processed by an SPSS program in terms of frequency, mean, and standard deviation (descriptive statistics). The presentation of the results and the data analysis is fully discussed in next chapter.

3.6.2 Research analysis, statistics and interpretation of questionnaire

With 3 point scales, the interval for dividing the range to measure each variable is calculated by:

$$\frac{3 - 1}{3} = 0.67$$

This means that items with scores below fall between the ranges of:

1.00 – 1.67: Important level

1.68 – 2.34: Very important level

2.35 – 3.00: The most important level

Data from questionnaires were processed by an SPSS program in terms of frequency, mean, standard deviation (descriptive statistics). The presentation of results and data analysis is fully discussed in the next chapter.

3.6.3 Research analysis of questionnaire

Data from the interview are analyzed by the researcher. The presentation of results and data analysis is fully discussed in the next chapter.

4.1 Response rate and demographics of respondents in Thailand

4.1.1 Response rate summarization

Questionnaires were distributed from 20th May 2006 to 10th June 2006 by to potential respondents in the departure area of Bangkok International Airport. The researcher distributed 400 questionnaires based on the number of population already mentioned in chapter 3.

4.1.2 Demographics of Respondents

Data in this part have been organized into different types according to the distinctive characteristics of the variables under consideration.

Table 4.1: Use the internet for travel information

Use the internet for travel information	Frequency	Percent
Yes	400	90.5
No	42	9.5
Total	442	100.0

Table 4.1 shows that the percentage of respondents who regularly use the internet for travel information is 90.5% while 9.5% of the respondents never use the internet for travel information.

Table 4.2: Reasons for not using the internet

Reasons for not using the internet	Frequency	Percent
Prefer other services	22	52.38
Concerned about the security	2	4.76
Not familiar with internet usage	12	28.57
Not interested in using the internet	6	14.29
No access to the internet	0	0
Non-availability of reservation or purchase service on the internet	0	0
Total	42	100

From table 4.2, we see that most of the respondents who never use the internet for travel information prefer other services (52.38%), are not familiar with internet usage (28.57%), are not interested in using the internet (14.29%) or are concerned about security (4.76%), respectively.

Table 4.3: Gender of respondents

Gender	Frequency	Percent
Male	257	64.20
Female	143	35.80
Total	400	100.0

Table 4.3 shows the gender of respondents: males approximately 64.2% and 35.8% females.

Table 4.4: Age of respondents

Age	Frequency	Percent
18-24	59	14.75
25-34	139	34.75
35-44	109	27.25
45-54	64	16.00
60 and over	29	7.25
Total	400	100

Table 4.4 indicates that most of the respondents are aged between 25-34 years old (34.75%), 35-44 years (27.25%), 18-24 years (14.75%), 45-54 years (16.0%) and 60 and over (7.25%), respectively.

Table 4.5: Continent of respondents

Continent	Frequency	Percent
Asia	178	44.50
Africa	3	0.75
Europe	148	37.00
North America	23	5.75
Australia	48	12.00
Total	400	100

We see from Table 4.5 that the most respondents came from Asia (44.5%), followed by Europe (37%), Australia (12%), North America (5.75%) and Africa (0.75%), respectively.

Table 4.6: Marital status of respondents

Marital Status	Frequency	Percent
Single	198	49.50
Married	188	47.00
Divorced	14	3.50
Total	400	100

Table 4.6 shows that 49.5% of the respondents are single while 47% are married and the remaining 3.5% are divorced.

Table 4.7: Annual income of respondents

Annual household income (US $)	Frequency	Percent
Under $25,000	86	21.50
$25,001-$49,999	60	15.00
$50,000-$74,999	123	30.75
$75,000-$99,999	45	11.25
$100,000-$149,999	39	9.75
$150,000 and over	23	5.75
undisclosed	24	6.00
Total	400	100

Table 4.7 divides the respondents by income. Those who earn under USD$25,000 annually amounted to (21.5%), between USD$25,001-$49,999 (15%), between USD$50,000-$74,999 (30.75%), between USD$75,000-$99,999 (11.25%), between

USD$100,000-$149,999 (9.75%), between USD$150,000 and over (5.75%). Six percent (6%) of respondents did not disclose annual income.

Table 4.8: Education Level of respondents

Education Level	Frequency	Percent
Less than secondary school	8	2.00
Secondary school	74	18.50
Diploma degree	72	18.00
Bachelor Degree	159	39.75
Master or Doctoral degree	87	21.75
Total	400	100

Pertaining to educational level, Table 4.8 shows that most respondents possessed at least a bachelor degree (39.75%); the next largest group completed a master or doctoral degree (21.75%), while those with a secondary school diploma were the next largest group (18.5%). Those with diploma degrees followed (18%) and travelers with an uncompleted secondary school education were in the smallest group (2%), respectively.

Table 4.9: Time respondents allotted to internet usage per week

Time on the internet /week	Frequency	Percent
1-3 Hours	91	22.75
4-6 Hours	107	26.75
7-9 Hours	46	11.50
More than 9 Hours	156	39.00
Total	400	100

In Table 4.9, we see those respondents who use the internet at least 1-3 hours per week totals 22.75%; those who use the internet 4-6 hours per week is 26.75%; those who use the internet 7-9 hours per week is 11.50% and the largest group, at 39% uses the internet more than 9 hours weekly.

Table 4.10: Times you used the internet before traveled

Times you use the internet before traveled	Frequency	Percent
1-2 Times	120	30.00
3-4 Times	97	24.25
5-6 Times	42	10.50
More than 7 Times	141	35.25
Total	400	100

In table 4.10, we see the percentage of times which respondents used the internet 1-2 times (30%) before they traveled; 3-4 times before traveling (24.25%); 5-6 times (10.50%), and more than 7 times (35.25%).

Table 4.11: Purpose of Internet use for this trip

Purpose of using Internet for this trip	Frequency	Percent
Searching for Information	344	38.10
Purchasing air tickets	208	23.10
Purchasing transportation	69	7.60
Purchasing guide services	37	4.10
Purchasing accommodation	155	17.20
Purchasing package tours	40	4.40
Purchasing other tourism products	49	5.40
Total responses	902	100

Table 4.11, shows why respondents used the Internet for current travel. The total number of responses is 902 as the 400 respondents can choose more than one reason to use the internet. 344 responses (38.1%) were Information searches; 208 responses (23.1%) were to purchased air tickets; 69 responses (7.6%) were for the purchase of transportation; 37 responses (4.1%) were for the purchase of guide services; 155 responses (17.2%) were for the purchase of accommodation; 40 responses (4.4%) were for the purchase of package tours, and 49 responses (5.4%) were to purchase other tourism products.

Table 4.12: remembering the website(s)

Can you remember the website(s) which you searched, reserved or purchased	Frequency	Percent
Yes, I can	213	53.25
No, I can't	187	46.75
Total	400	100

Table 4.12 shows the percentage of respondents who could remember the website(s) that they searched / or from which they reserved or purchased tourism products and services (53.25%) and those who could not remember the website(s) that they searched or from which they reserved or purchased tourism products and services (46.75%).

Table 4.13: the websites that respondents searched or from which they reserved or purchased tourism products and services

Travel website	
overseas	*Thailand*
http://www.kuoni.co.uk	http://www.kohsamui.com
http://www.expedia.co.uk	http://www.thaitourism.org
http://www.austravel.com	http://www.sawasdee.com
http://www.lastminute.com	http://www.gothailand.com
http://www.partirpascher.com	http://www.bangkoktonight.com
http://www.promovacances.com	http://www.kohsamui-hotel.com
http://www.asiarooms.com	http://www.btstravel.com
http://www.priceline.com	http://www.phuket.com
http://www.klim.nl	http://www.krabi.com
http://www.lonelyplanet.com	http://www.huahintravel.com
http://www.travelacity.com	http://www.chiangmai-online.com
http://www.opodo.com	http://www.anantararesort.com
http://www.hotel.com	
http://www.flightcentre.co.nz	
http://www.supersaver.fi	
http://www.elong.com	
http://www.asiatravel.com	
http://www.trailfinders.com	
http://www.latestays.com	
http://www.spg.com	
http://www.precisionreservations.com	
http://www.travelocity.com	
http://www.virtualtourist.com	

Airline	Search engine
http://www.thaiairways.com	http://www.orodo.com
http://www.bangkokairway.com	http://www.google.com
http://www.airasia.com	http://www.octopus.com
http://www.airnewzealand.com	http://www.yahoo.com
http://www.lufthansa.com	http://www.travelbound.com
http://www.tigerairways.com	http://www.accorn.com
http://www.chinaairlines.com	http://www.msn.com
http://www.budgetairways.com	http://www.sohn.com
http://www.klm.com	http://www.kohtan.com
http://www.airfrance.com	**Accommodation**
http://www.flightcentre.com	http://www.dynastyinn.com
http://www.thaiair.com	http://www.hotelthailand.com/
http://www.singaporeairlines.com	http://www.hostelworld.com
http://www.bangkokair.com	**Ticket**
http://www.nwa.com	http://www.cheapticket.nl
http://www.nokair.com	http://www.cheapflights.com
http://www.jetstarasia.com	
http://www.scandinavian.net	
http://www.cathaypacific.com	

Source: The researcher, 2006

Table 4.14: Reasons for using the Internet for travel information, reservations, or purchases

Reasons for using the Internet for travel Information, reservations or purchases	3	2	1
Using the Internet saves time	55.75%	23.00%	21.25%
It is less costly	40.50%	32.25%	27.25%
Convenient process to reserve or purchase products and services via websites	36.50%	39.00%	24.50%
Many promotions	21.50%	44.00%	34.50%
Tourism products and services can be customized as desired.	16.00%	39.50%	44.50%
Tourism products and services are attractive.	10.50%	45.75%	43.75%
Others	71.43%	0	28.57%

Note: a) n = 400

b) 3 point ranking, where 3 is the most important and 1 is the least important

Table 4.14 shows the respondents' reasons for using the Internet for travel information, reservations, or purchases. Two hundred and twenty-three said that they use the internet to save time; one hundred and sixty-two said that they use the internet to get a cheaper price; one hundred and forty-six said that they use the internet because it is convenient to reserve or purchase products and services via websites; eighty-six respondents said that they use the internet to find promotions; sixty-four said that are looking for tourism products and services that can be customized as desired;

forty-two said that the most important reason is that tourism products and services were attractive.

One hundred and eighty-three said that tourism products and services are attractive; one hundred and seventy-six said that they use the internet to find promotions; one hundred and fifty-eight said that tourism products and services can be customized as desired; one hundred and fifty-six said that they use the internet because it is convenient to reserve or purchase products and services via websites; one hundred and twenty-nine said that they use the internet get a cheaper price and ninety- two said that they use the internet to save time (very important reasons).

One hundred and seventy-eight said that tourism products and services can be customized as desired; one hundred and seventy-five said that tourism products and services are attractive; one hundred and thirty-eight said that they use the internet to find promotions; one hundred and nine said that they use the internet get a cheaper price; ninety-eight said that they use the internet because it is convenient to reserve or purchase products and services via websites; eighty-five said that they use the internet to save time (very important reasons).

Table 4.15: Comparing a travel agency to E-Tourism

Comparing a travel agency to E-Tourism	Frequency	Percent
E-Tourism is much better	108	27.00
E-Tourism is somewhat better	155	38.80
E-Tourism is about the same	116	29.00
E-Tourism is somewhat worse	19	4.80
E-Tourism is much worse	2	0.50
Total	400	100

Table 4.15 illustrates that when E-Tourism is compared to a travel agency, 27% of respondents think E-Tourism is much better; 38.8% indicate that E-Tourism is somewhat better; 29% believe E-Tourism is about the same; 4.8% think E-Tourism is somewhat worse and 0.5% indicate E-Tourism is much worse.

Table 4.16: Use E-Tourism website again

Use E-Tourism website again	Frequency	Percent
Definitely will	258	64.5
Probably will	106	26.5
Might or might not	34	8.5
Probably will not	0	0.0
Definitely will not	2	0.5
Total	400	100.0

Table 4.16 shows that 64.5% of respondents definitely will use E-Tourism websites again; 26.5% will probably use E-Tourism websites again; 8.5% might or might not use E-Tourism websites again and 0.5% definitely will not use E-Tourism websites again.

4.1.3 Respondents' perceptions of E-Tourism

Table 4.17: Respondents' online views vs. usual way to organize travel

Respondents' online views	Mean	S.D.	Result
I find E-Tourism websites are more helpful	3.36	0.80	Neutral
I find the price more quickly	3.78	0.94	Agree
I find the price cheaper	3.50	0.92	Agree
E-Tourism is much more flexible	3.71	0.83	Agree
Sufficient information is available	3.51	0.97	Agree
The convenience of E-Tourism for travel	3.33	0.76	Neutral
The value of the E-Tourism	3.64	0.74	Agree
Overall, satisfied	3.79	0.67	Agree

Note: a) n = 400

b) 5 point rating scale, where 1=strongly disagree to 5=strongly agree.

Table 4.17 shows the respondents' opinions of their online experience vs. their usual way of organizing travel.

The table indicates that respondents who believe E-Tourism websites are more helpful than travel agencies (average of factors) is neutral ($\overline{X}$ = 3.36, S.D. = 0.80); the average of tourists opinions agrees that they found the price more easily than from a travel agency ($\overline{X}$ = 3.78, S.D. = 0.94); the average of tourists opinions agrees that they found the price cheaper than travel agencies ($\overline{X}$ = 3.50, S.D. = 0.92); tourists agree that E-Tourism is much more flexible ($\overline{X}$ =3.71, S.D. = 0.83); the average of tourists opinions agrees that sufficient information was available on the website ($\overline{X}$ = 3.51, S.D. = 0.97); their opinions about getting needed information is neutral ($\overline{X}$ =3.33, S.D. = 0.76); the average of tourists opinions agrees with the value of E-Tourism ($\overline{X}$ = 3.64, S.D. 0.75); and, overall , respondents are more satisfied with E-Tourism than with travel agencies ($\overline{X}$ = 3.79, S.D. 0.67)

Table 4.18: Use E-Tourism website again

Use E-Tourism website again	Frequency	Percent
Definitely will	258	64.5
Probably will	106	26.5
Might or might not	34	8.5
Probably will not	0	0.0
Definitely will not	2	0.5
Total	400	100.0

Table 4.18 shows that 64.5% of the respondents definitely will use E-Tourism websites again; 26.5% will probably use E-Tourism websites again; 8.5% might or might

not use E-Tourism websites again and 0.5% definitely will not use E-Tourism websites again.

Table 4.19: Respondents' online views vs. usual way to organize travel

Respondents' online views	Mean	S.D.	Result
I find E-Tourism website is more helpful	3.36	0.80	Neutral
I find the price easier	3.78	0.94	Agree
I find the price cheaper	3.50	0.92	Agree
E-Tourism is much more flexible	3.71	0.83	Agree
Sufficient information was available	3.51	0.97	Agree
The process of E-Tourism for getting	3.33	0.76	Neutral
The value of the E-Tourism	3.64	0.74	Agree
Overall, how satisfied	3.79	0.67	Agree

Note: a) n = 400

b) 5 point rating scale, where 1=strongly disagree to 5=strongly agree.

Table 4.17 shows the respondents' opinions of their online experience vs. their usual way of organizing travel.

The table indicates that respondents who believe E-Tourism websites are more helpful than travel agencies (average of factors) is neutral ($\overline{X}$ = 3.36, S.D. = 0.80); the average of tourists opinions agrees that they found the price more easily than from a travel agency ($\overline{X}$ = 3.78, S.D. = 0.94); the average of tourists opinions agrees that they found the price cheaper than travel agencies ($\overline{X}$ = 3.50, S.D. = 0.92); tourists agree that E-Tourism is much more flexible ($\overline{X}$=3.71, S.D. = 0.83); the average of tourists opinions agrees that sufficient information was available on the website ($\overline{X}$ = 3.51, S.D. = 0.97); their opinions about getting needed information is neutral ($\overline{X}$=3.33, S.D. = 0.76); the average of tourists opinions agrees with the value of E-Tourism ($\overline{X}$ = 3.64, S.D. 0.75); and, overall , respondents are more satisfied with E-Tourism than with travel agencies ($\overline{X}$ = 3.79, S.D. 0.67)

Table 4.20: Future choices

Choices which respondents will choose next time	Frequency	Percent
Travel Agency	91	22.75
E-Tourism	309	77.25
Total	400	100

Table 4.20 shows the percentage of respondents who will choose E-Tourism websites in the future (77.25%) vs. the percentage of respondents who will choose travel agencies (22.75%).

4.2 Response rate and perception of travel agency professionals in Thailand

4.2.1 Response rate summarization

Questionnaires were distributed from 1st April, 2006 to 30th May 2006, asking travel agency professionals to answer the questionnaires by telephone and requesting that they answer the online questionnaire by e-mail. The researcher distributed 100 populations by simple random sampling.

4.2.2 Profile of Travel Agency Professionals

Table 4.21: Years of operation

Years of Operation	Frequency	Percent
Less than 5 years	34	34
5 – 10 years	34	34
11 – 15 years	8	8
16 – 20 years	8	8
21 – 25 years	4	4
More than 25 years	12	12
Total	100	100

Table 4.21 shows businesses which have operated less than 5 years (34%); 5–10 years (34%); 11–15 years (8%); 16–20 years (8%); 21–25 years (42%); and more than 25 years (12%).

Table 4.22: Categories of business

Categories of business	Frequency	Percent
Resorts	18	5.50
Inbound Tours	58	17.70
Domestic Tours	68	20.70
Air tickets	62	18.90
Outbound Tours	44	13.40
Rental Cars	32	9.80
Package Tours	30	9.10
Other	16	4.90
Total	328	100

Table 4.22 presents research that shows the largest categories of services provided to customers is domestic tours, air tickets, inbound tours, outbound tours, rental cars, resorts and other. The percentages of each category are 20.7%, 18.9%, 17.7%, 13.4%, 9.8%, 9.1%, 5.5% and 4.9% respectively.

Table 4.23: Channels of distribution

Channels of distribution	Frequency	Percent
Face-to-face	64	23.10
Agents	58	20.90
Direct (on-site)	34	12.30
Direct mail	32	11.60
Sales visits	30	10.80
Internet (e-commerce)	52	18.80
Other	7	2.50
Total	277	100.00

Table 4.23 indicates the most frequent channels of distribution are face-to-face, agents, internet (e-commerce), direct (on-site), direct mail, sales visits and other. The percentages of each category are 23.1%, 20.9%, 18.8%, 12.3%, 11.6%, 10.8% and 2.5% respectively.

Table 4.24: Media currently used by travel agencies

Media currently used by travel agencies	Frequency	Percent
Advertising on television/radio	8	4.2
Advertising on websites	44	23.2
Advertising in magazines/newspapers	42	22.1
Brochures	44	23.2
Booths	30	15.8
Other	22	11.6
Total	190	100

Table 4.24 shows the results of research which found that the largest answer referring to media currently used by travel agencies is advertising on websites and brochures, both equaling 23.2%. Advertising in magazines or newspapers is next at 22.1%. The use of booths is 15.8%, followed by other at 22%. In last place is advertising on television and radio at 4.2%.

4.2.3 Perceptions of Travel Agency Professionals

Table 4.25: Website of business

Business website	Frequency	Percent
Yes, we have one	32	32
No, we do not have one	68	68
Total	100	100

Table 4.25 shows the percentage of travel agencies which do not have business websites (68%) as well as the percentage of the travel agencies which do have business websites (32%).

Table 4.26: Strategic factors for E-Tourism business

Strategic factors for E-Tourism business	3	2	1
Set prices less than the market price	38 %	16 %	46 %
Advertising via online media	14 %	48 %	38 %
Advertising in traditional media	0 %	24 %	76 %
Customer relationship management	66 %	20 %	14 %
Attractive websites	29 %	57 %	14 %
Website security	45 %	35 %	20 %
Niche market, special products	15 %	56 %	29 %
Convenience of online payment	33 %	30 %	37 %
Promotion	23 %	36 %	41 %
Affiliation	27 %	40 %	33 %

Note: a) n = 100

b) 3 – point ranking, where 3 is the most important and 1, the least important.

Table 4.26 shows the ranking of strategic factors for E-Tourism business: 38% of the travel agency professionals indicated setting prices of E-Tourism less than the market price is the most important; 16% of the travel agency professionals said this factor is very important while 46% of the entrepreneurs said important. 14% of Travel agency professionals said advertising via online media is the most important; 48% of this group indicated very important while 38% said important. No responses were received concerning advertising in traditional media as the most important; 24%, however, said this is very important while 76% of the travel agency professionals indicated important. 66% said customer relationship management is the most important; 20% indicated very important and 14% of travel agency professionals said important. 29% of the respondents said having an attractive website was the most important; 57% of this group indicated it is very important while 14% said important. 45% chose security on the website as the most important; 35% said very important while 20% indicated important. 15% of the respondents indicated niche market, special products is the most important; 56% indicated very important and 29% said important. 33% of the travel agency professionals indicated convenience of online payment is the most important; 30% said very important and 37% said important. 23% of this group said promotion is the most important; 36% indicated very important and 41% said important. 27% said affiliation is the most important while 40% indicated very important and 33% said important.

Table 4.27: Important strategic factors for travel agencies

Important strategic factors for travel agencies	3	2	1
Set prices less than the market price	13%	15%	72%
Advertising via online media	10%	34%	56%
Advertising in traditional media	5%	5%	90%
Customer relationship management	79%	14%	7%
Attractive websites	39%	47%	14%
Website security	71%	18%	11%
Niche market, Special products	27%	58%	15%
Convenience of online payment	54%	26%	20%
Promotion	20%	56%	24%
Affiliation	30%	44%	26%

Note: a) n=100

b) 3 – point ranking, where 3 is the most important and 1, the least important.

Table 4.27 shows that 13% of travel agency professionals feel setting prices less than the market price is the most important strategic factor for the E-Tourism business; 15% indicated very important and 72% said it is important. 10% of the respondents felt advertising via online media were the most important; 34% said very important and 56% indicated important. 5% said advertising in traditional media were the most important; 5% indicated very important and 90% said important. 79% responded that customer relationship management is the most important; 14% said it is very important and 7% said important. 39% felt attractive websites are the most important; 47% indicated it is very important and 14% said it is important. 71% of the respondents feel website security is the most important; 18% said it is very important and 11% indicated it is important. 27% of the travel agency professionals thought niche market, special products are the most important; 58% said very important and 15% indicated important. 54% think convenience of online payment was the most important; 26% said very important and 20% said important. 20% think promotion is the most important; 56% feel it is very important and 24% indicated important. 30% said affiliation is the most important; 44% said very important and 26% indicated important.

Table 4.28: Travel Agency Professionals' Perceptions of E-Tourism

Travel Agents' Perceptions of E-Tourism	Mean	S.D.	Result
E-Tourism websites are more useful	3.72	0.74	Agree
The price of accommodation in each website easier than calling travel agents	3.75	0.83	Agree
The price of accommodation in each website cheaper than the price of travel agents	3.10	1.03	Neutral
E-Tourism is much more flexible.	3.25	1.12	Neutral
Sufficient information on E-Tourism internet websites was available to solve tourists' problems	3.11	0.82	Neutral
The convenience of E-Tourism to access information from many sources	4.20	0.85	Agree
Internet technology allows customers to perform travel searches and purchases conveniently	4.16	0.88	Agree
Technology-assisted travel counseling will not be popular due to travelers are computer illiteracy	2.60	1.14	Disagree

Note: a) n=100

b) 5 point rating scale, where 1=strongly disagree and 5=strongly agree

Table 4.28 shows travel agency professionals' perceptions of E-Tourism . Respondents who believe E-Tourism websites are more useful than travel agencies produced average agreement of ($\overline{X}$ = 3.72, S.D. = 0.74); the average agreement of the price of accommodation in each website is easier than calling travel agents was ($\overline{X}$ = 3.75, S.D. = 0.83); the average perception of the price of accommodation in each website is cheaper than the price of travel agents is neutral ($\overline{X}$ = 3.10, S.D. = 1.03);

the average is neutral if E-Tourism is much more flexible. ($\overline{X}$ = 3.25, S.D. = 1.12); the average is neutral concerning availability of sufficient information on E-Tourism websites to solve tourist's problems ($\overline{X}$ = 3.11, S.D. = 0.82); the average agreed that the process of getting more information from many sources is easy with E-Tourism ($\overline{X}$ = 4.20, S.D. = 0.85), the average of Technology, particularly and internet, allow customers to perform most travel searching and purchasing functions conveniently were agree ($\overline{X}$ = 4.16, S.D. = 0.88); the average perception disagreed that technology-assisted travel counseling will not be popular because many travelers are computer illiterate ($\overline{X}$ = 2.60, S.D. = 1.14).

4.3 Responses of Tourism Industry experts in Thailand

This part will conclude the data that were gathered from the expert survey questionnaire which has already been discussed in chapter 3. The expert survey was conducted from May 2006 to June 2006. The data will be presented as follows:

The experts were asked 6 questions about how they perceived the current situation of the tourism industry and the affects of E-Tourism on the travel industry in Thailand.

4.3.1 Strengths, Weaknesses, Opportunities, and Threats affecting the Tourism Industry in Thailand

Most experts indicated that the Thai tourism industry was particularly hard hit as a result of terrorism in the three southern provinces and our unstable political situation. Even though Thai government and TAT have tried to promote our country to attract foreigners and secure foreign currency, the campaign has not been successful in the eyes of travel agencies. Moreover, tourists to Thailand were affected by the high price of oil and the cost of living increases. These factors reduced the number of tourists traveling, slowing down the travel industry.

The SWOT in Thailand tourism industry analysis from all experts suggested that: Thailand has its own strengths. In terms of tourism, we have a variety of tourist attractions. We have mountains and longer beaches than our neighbors. We have everything to offer from culture to adventure. These are the advantages we have over other Indochinese countries. We also have cultural events and festivals which go back 700 to 800 years. Our competitors do not have these things.

In terms of weakness, all of the experts indicated that the Thai tourism industry is without a clear set of rules or ethical considerations. There is also the problem of service standards. For example, overcharging foreign tourists and trying to harass them into buying when they are at attractions. There are issues with safety, cleanliness and orderliness, as well. Another weakness is zero-dollar tours where Chinese tourists buy packages from travel agents in China for a small price. These agents then send tourists as a group to travel agents in Thailand without having to pay even one dollar in tour fares themselves. Travel agents in China want Chinese to visit Thailand but, 300,000 Thais visit China each year while over one million Chinese arrive in Thailand. The few hundred thousand Thais who visit China spend more there than Chinese visitors to Thailand. Thailand gets nearly nothing. These activities have harmed our national interests for long enough. Tourists are encouraged to buy low-quality products and offered night life-oriented shows. This is an important weakness in the Thai tourism industry.

One opportunity we have is the fact that we have the best slogan, "Thailand: The Land of Smiles". Nobody smiles as sincerely as Thais do. We smile as we greet. To the global community, Thailand is a considerably attractive country. Our unique arts and culture as well as constant tourism promotions are our highlights. And Thailand still has the opportunity to grow as we are rather fortunate to be in a central location in Asia. We also have Suvarnabhumi Airport, which is opening soon. In addition, we might be able to offer lower costs compared to other countries like Japan. Transportation, accommodation, and food, are all cheaper here in Thailand. A special event this year is the celebration of His Majesty's 60th anniversary of ascension to the throne. These are important growth opportunities for the tourism industry.

The main threat to the success of this industry, all experts agree, is terrorism in the southern three provinces. However, there are other damaging issues as well. Our political situation is not entirely stable. The foreign tourist does not know that terrorism is limited to the three southern provinces. They only know that Phuket is in the south and that it is not far away from those provinces. Regarding the political protests, things have subsided, but we do not know when unrest will return. Additionally, the tsunami still has some lasting effects. People are still afraid because if it happened once, it can happen again. And they choose to go to other, less risky destinations as the choices are many. Another current threat is the global economy. Most countries are affected by oil prices. Oil prices and other global situations affect us as well. Tourism is affected by many factors. Traveling is both for business and relaxation. It can be regarded as necessary or not. The number of Thai tourists traveling to other countries is lower as well. People do not feel at ease when there are political disturbances such as ours. When they are not happy, they do not want to travel. All of the above-mentioned threats are obstacles for the Thai tourism industry.

4.3.2 Factors which may affect the tourism industry in Thailand in the coming year

There are 3 important factors. The first is the opening of Suvarnabhumi Airport which should have a positive effect. More flights mean more travelers. But that is not a certainty because the fees may be too high and the services may not be offered efficiently at the start.

It is important to note that our political situation is still cloudy while our neighbors are honing their competitive edge. Vietnam, for example, is opening their new airport to accommodate more direct flights from other countries. Other Indochinese countries are improving their tourism capabilities as well.

Moreover, the economy plays a part with such major issues as rising oil prices, gold prices and increases in the cost of living. We have to admit that these economic events will make people spend less and thus affect the tourism industry quite seriously.

4.3.3 Future Trends of Thai Tourism Industry

Executive interviews indicate that most respondents stress their belief that the travel industry will get back on track soon, but right now it needs to have good tourism management first. In the near future, it is anticipated that many inbound travelers from South East Asian and ASEAN countries will come to Thailand because Thailand is a hub as well as a key destination. They will come to Bangkok first before going on their way to other Indochinese destinations such as Siem Reap, Phnom Penh, Rangoon, Mandalay, Hongsa, Luang Prabang, Wae Dadung, Hoi An, North Vietnam or South Vietnam, and even Malaysia and Singapore. This is an advantage that Thailand has and that can increase the number of tourists who will travel here. The future would be brighter for the Thai tourism industry if travel agencies can arrange for a combination of interesting programs, reasonably priced accommodations, restaurants and knowledgeable guides.

4.3.4 State of E-Tourism in Thailand

E-Tourism is defined as electronic tourism (such as travel agency websites, search strings for tourism business, etc). The foremost of the experts has suggested that the world is getting smaller. Tourists and other potential travelers can learn more about events faster and easier. E-Tourism can help travelers know and understand Thailand better and, it is hoped, visit us sooner. It presents our products right on their doorsteps and even in their bedrooms. Travelers can now decide on products more conveniently. E-Tourism is becoming more commonplace and widely accepted. This is a period of transition when technology will replace the traditional ways of doing things. The problem is that most people who use computers do so at the office. Not that many people use computers at home and in the event that they do, they are more likely to be of the younger generation with lower purchasing power. This is why the electronic channels are not as popular as they should be. Besides, people need to trust the system. Trust is achieved in two ways: blind faith because there are not that many choices, considering instability, expenses and risks; and, the system itself needs to appear reliable and safe because that is what Thais are most concerned about.

4.3.5 E-Tourism Trends in Thailand in the coming year

It is said that E-Tourism will surely have an effect. Travel agents may fear that but there is nothing they can do. Things change and if travel agencies want to survive, they need to adapt. For example, a resort used to sell its rooms via middlemen (e.g. travel agencies) but right now it has the choice of selling directly to the end-user. It no longer needs to use middlemen.

On the other hand, there are risks associated with online purchases. Travel agency products are usually sold as packages. Instead of offering only accommodation, they may include flight tickets, transfer fees and sightseeing. But if customers want to buy a package online, they may need to buy separate items and combine them which is not very convenient. These are some of the problems that the experts have noted. The effects of E-Tourism will be felt most seriously by the middlemen which, in this study, are the travel agencies. They need to adapt in order to stay in business.

4.3.6 Future Trend of E-Tourism /supplier impact on travel agency professionals and trend of E-Tourism impact on the tourism industry in Thailand.

The entire group of experts implied that the current business model has changed to E-Tourism . This has resulted in the market having more indirect competitors such as convenience stores which can now sell flight tickets and airlines that run their own campaigns through e-commerce channels at even cheaper prices. This is why the roles of travel agents and tour operators are made less significant.

These are factors which show the necessity for travel agencies to change the way they do business. Every travel company must downsize in order to succeed and implement E-Tourism in their own business.

5.1 Conclusion

The conclusions of this study may be related to the instruments and results of the data analysis. This study has used both primary and secondary data to identify the conceptual framework which has been adapted from the five forces model in chapter 3. It could be understood as the following:

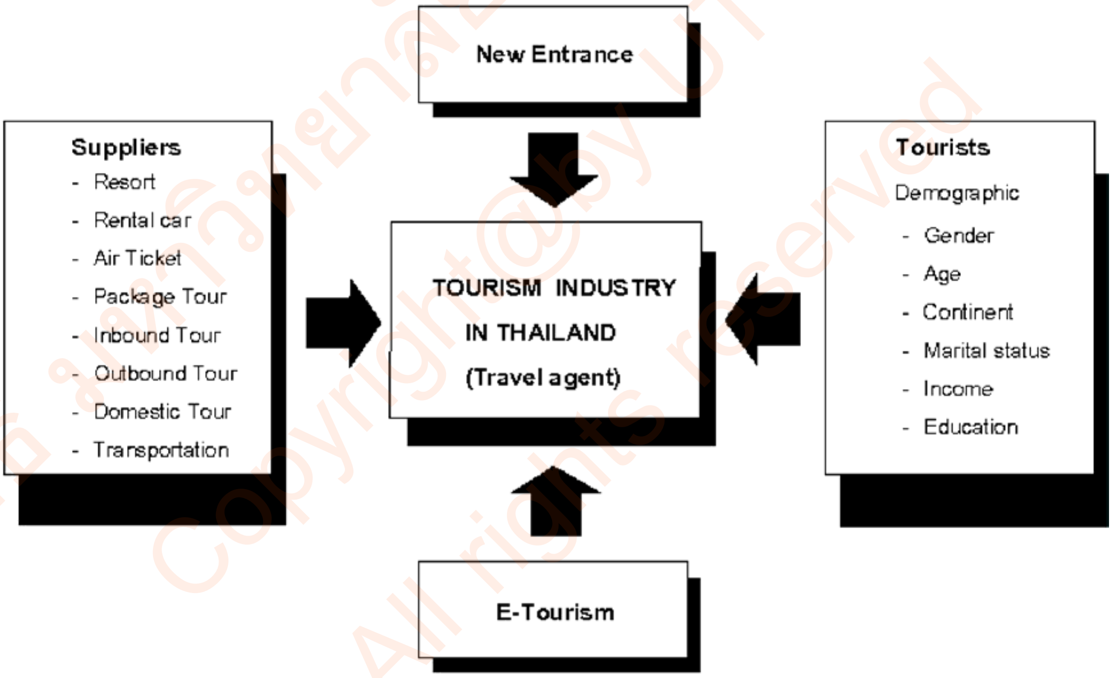

Figure 3.1: Conceptual Framework

Source: Adapted from Michael E. Porter

Tourists

Of the 400 respondents, most were male (64.20%), aged between 25–34 years (34.75%), single (49.50%), having a bachelor degree (39.75%), and earning $50,000-$74,999 (30.75%) annually. The countries of the respondents included Asia (44.50%), Europe (37.00%) and Australia (12.00%).

From the primary data, most respondents used the internet more than 9 hours per week (39.00%) and 141 respondents would use the internet before traveling more than 7 times (35.25%).

Most respondent's purpose in using the internet is to search for information about this trip (38.10%) while only 40 respondents purchased package tours (4.40%) via website.

As table 4.13 shows, respondents remembered the address of the websites that they searched/reserved or purchased tourism products and services from (53.25%).

Comparing travel agencies and E-Tourism , the opinions of 155 respondents (38.80%) is that E-Tourism is somewhat better, 116 respondents (29.00%) said E-Tourism is about the same, and 2 of respondents (0.50%) feel E-Tourism is much worse. Furthermore, 258 respondents (64.50%) will definitely use E-Tourism websites again while only 2 respondents (0.05%) definitely will not use E-Tourism websites again.

In terms of respondents' views on traditional vs. online travel preparations, overall the respondents are satisfied with E-Tourism as the highest mean (3.79) shows in the table 4.17.

Finally, if 77.25% of the respondents want to travel, they will choose E-Tourism websites to surf, reserve or purchase products.

Tourism industry of Thailand: Travel agent

This study involved 100 respondents who are entrepreneurs in tourism business in our survey. Most respondents have no business website (68 %). The most important factors concerning strategies for E-Tourism business in the view of 66 entrepreneurs are customer relationship management. 57 entrepreneurs said that an attractive website is the most important factor concerning strategy for E-Tourism business while in the view of 46 entrepreneurs the ability to set the price lower than the market price is most important.

A very important strategic factor for travel agencies, in the view of 79 entrepreneurs, is customer relationship management, while 58 entrepreneurs indicated that the niche market is a very important strategic factor for travel agencies. Advertising special products on original media is an important strategic factor for travel agencies in the view of 90 entrepreneurs.

In terms of perceptions of travel agency professionals, the ease of process of E-Tourism to get more information from many sources has the highest mean (4.20). The lowest mean (2.60) is that technology-assisted travel counseling will not be popular because many travelers are computer illiterate can be seen on table 4.23 in chapter 4.

One potential impact of E-Tourism on the tourism industry in Thailand is that the role of travel agents will be minimized, especially if hotels or other suppliers begin to sell on their own. That will surely have an effect even though they have to sell through the agents as well. The kind of volume they get is possible because of the agents. Smaller travel agents will be in trouble because they lack this volume. In any event, they will lose if foreign tourists deal directly with suppliers without going through travel agencies. However, they will have to accept it because it is how business is done. They have to become more defensive. Travel agencies have to find ways to add value to their products in order to survive because the business model has changed. They have more indirect competitors. Even convenience stores can now sell flight tickets.

Then there are external, influential factors which make it necessary for us to change the way we do business. Everyone must downsize in order to succeed.

E-Tourism

These following results explain the information from interviews 7 experts from Tourism Industry in Thailand about E-Tourism in the future.

This is a period of change for the workforce and technology. Both elements need to work well together in order for one to jumpstart the other.

For tourism industry in Thailand, E-Tourism adds more to the travel industry than it subtracts. People can learn about things more quickly. If they are interested in certain programs or attractions, they can simply choose travel agents at their fingertips. It is gradually becoming popular. E-Tourism can help tourists know and understand travel arrangements better and visit Thailand sooner. The technology is becoming more influential while it helps lower costs. The internet can be helpful against rising costs, more expensive energy and with the demand of people to know their reservation results instantly. This is a change of behavior and culture. You make a reservation and you need to know if it is successful in minutes, not days. This is a trend started by other businesses.

But for travel agencies, there is not only competition from Thai companies but there are also unseen competitors in many other countries. They can offer better prices even without having an office in Thailand.

For the private sector, E-Tourism is becoming increasingly popular although it is limited to those who are familiar with computers. More Thai tourists are traveling abroad. Many companies are doing business online. Some go online only and some book both ways. Flight ticket sale is growing very fast. Clients like to buy directly because they can choose their seats instantly. This answers their needs without having to go through a middleman.

As for the government sector, it has held conferences and established websites for B2B (Business to Business) participation. It operates www.thailand.or.th for the sale of products and it has prepared a global web site in English which will be launched in July. One thing the government has discovered is that the private sector is not particularly good at selling packages or hotel rooms via the Internet as yet. They try to point out that you do not have to go abroad to sell. You can be here in Thailand and do it through websites.

Statistically, as pointed out in chapter 2, Asian countries collectively have the greatest number of Internet users in the world. But it is not so in terms of percentage. Thailand has 66 million citizens but only 2.3 million or 12% use the Internet. This figure conforms to world internet usage and population statistics in chapter 2. There is still room for growth. E-Tourism has the potential to grow very quickly.

Supplier

Nowadays, travel agencies have to change the way they do business. Because the suppliers started doing direct sales through electronic channels before travel agencies did, they allowed tourists in foreign countries to book directly with them. The rates given are equivalent or cheaper. This surely affects travel agencies. But in the long run the travel agencies also sympathize with suppliers because they had to invest more than the travel agencies did. Of course, travel agencies will lose profits if foreign tourists deal directly with suppliers without going through them. This certainly will affect travel agencies in terms of rates and the power to bargain. But on the other hand, the selling of products is dependent upon the market mechanisms of each business. Penetrating the market using information technology should not be extremely frightening for travel agencies, because both parties need to cooperate. Travel agents sell by volume while suppliers can earn more profit by naming their prices on the web. It is only another channel for the hotels because they may sell at lower rates when comparing the price with travel agencies and this will make it difficult for travel agents to organize packages. However, there are not really many channels for rental car companies and restaurants. They may introduce promotions but their chances are better cooperating with travel agents than doing direct sales.

In case of new business of suppliers, the websites are the channel just for promotion and to sell their programs on their own. Travel agents get better rates from these establishments because they need the agencies to feed them tourists. The sales channels are diverse. Suppliers can do direct sales or corporate sales through the government or other ways, but they have to sell through the agents as well.

And finally, one expert concerned about the effect of suppliers on travel agencies indicates that much depends on the ethics of each owner. If they are real professionals, they will not try to do direct sales, but will go through agents who are their salespeople. They do not need to hire salespeople. They only have to give travel agents some commissions. This comment conforms to that of another expert who said 'both parties need to cooperate'.

New Entrance

The experts reported in the four research sections that for the first point, new entrance will still be the Internet because it is not yet fully developed. If you advertise in newspapers and pay 20,000 baht for space, there is no way the response can be measured.

As for the second point, they can no longer rely on publications because of the rising costs. They need to resort to electronic channels instead because they are dynamic, unlike publications which are bound to be thrown away. The electronic channel is the answer for everyone. They need to realize this, lower their costs, downsize, and begin to do their public relations work through electronic channels using new inventions and smaller electronic devices like cell phones. Newer cell phones can support so many things. Tourists will be able to use them for the sale and purchase of products because of the convenience they afford. And they may help facilitate E-Tourism as well.

For the third point, the large transnational companies are merging and their know-how and technology is being brought to Thailand. More investments are being made in other countries. All Thai businesses are at a disadvantage. Our neighboring countries like Singapore are beginning to invest of Thailand already.

And the last point, they should be concerned about the effects of FTA, one of which is that the major agents from all countries will begin to offer more comprehensive services. They can open restaurants, hotels and shopping centers here. But the outlook is even gloomier for outbound business. For example, if European companies establish a presence here, they certainly can offer packages to Thai clients at lower prices than Thai companies because Thai travel agencies have to go through major wholesale agents. They will be directly affected especially in the case where major agents set up offices here and hire Thai executives to run them.

5.2 Discussion

This study uncovered many interesting findings about the potential impact of E-Tourism on the tourism industry of Thailand. This investigation has been conducted through questionnaires and interviews. In this part, the results and findings from the study are discussed as follows:

5.2.1 SWOT of Tourism industry in Thailand

This study found the strengths, weaknesses, opportunities, and threats to the tourism industry in Thailand by interviewed the experts.

Strengths are a variety of tourist attractions and cultures and festivals which go back 700 to 800 years ago. In terms of weakness, all of the experts indicated that the Thailand tourism industry is without a clear set of rules or ethical standards. Then there is the problem of service standards. And another point of weakness is Zero-dollar tours. Our opportunities are our unique arts and culture as well as constant tourism promotions which highlight transportation, accommodation, and food. They are all cheaper than other countries in Asia. The last point is threats to this industry. All experts have the same opinion which is "terrorism in three provinces" and some damaging issues. Our political situation is not very stable either.

5.2.2 The characteristic of the tourists who surf E-Tourism web sites

This research found these characteristics of 400 respondents: most of them are male (64.20%), aged between 25–34 years (34.75%), single (49.50%), graduated bachelor degrees (39.75%), and having incomes of $50,000-$74,999 annually (30.75%).

The countries of the respondents were in Asia (44.50%), Europe (37.00%) and Australia (12.00%).

One of reason could respect to the characteristic of the tourists. The tourists who were between 25 – 34 years ought to be change point of the process of tourism between E-Tourism and traditional style. In the Table 2.2 Asia internet usage and population, E-Tourism has the potential to grow and very quickly so. Things look to be on the rise globally, not only in Thailand. The new generation of people will use electronic systems more because their lives revolve around computers as the expert referred.

5.2.3 Tourists perception of E-Tourism

In the opinions of 400 of the 442 international respondents who surfed the internet before they came to Thailand, in the future they will choose E-Tourism when they would like to take their next trip. This result is different from the one reached in the research of Law, Leung and Wong (2004). In their research, “The impact of the internet on travel agencies”, the opinions of 413 Hong Kong tourists were that they still used professional services and advice offered by travel agencies. On the other hand, they also agreed that more information could be found through the Internet. Following the findings, this research suggests that both online and traditional distributional channels can coexist in the future. As the experts reported, 'we will never go back to doings things manually; things will only become more developed'. In terms of business, neither of them can stand alone in business as the experts reported "the travel agencies need to adapt in order to stay in business. As for E-Tourism , if it makes things quick and convenient, then it is good.'

5.2.4 Entrepreneurs' perceptions of E-Tourism .

This study found that the perceptions of travel agency professionals concerning E-Tourism conformed to the research of Vasudavan and Standing (1999). In their research, "The impact of the internet on the role of travel consultants", they discussed the attitudes and views of travel consultants on the impact of Internet-related technologies by using a survey of 102 travel consultants. The results of their research show a lack of awareness and negative attitude displayed by travel consultants in this rapidly changing distribution environment. But nowadays, the perception of travel agency professionals has changed to accept such technology as E-Tourism websites and, as table 4.23 shows, their responses indicate that they agree with the technology of E-Tourism and that E-Tourism is more useful than travel agencies (mean of respondents is $\overline{X}$ = 3.72, SD= 0.74), to find the price of accommodation in each website is easier than to call travel agents (mean of respondents is $\overline{X}$ = 3.75, SD= 0.83), technology, particularly internet, allows customers to perform most travel searching and purchasing functions conveniently (mean of respondents is $\overline{X}$ = 4.16, SD= 0.88) and the process of E-Tourism facilitates getting more information from many sources (mean of respondents is $\overline{X}$ = 4.20, SD= 0.85) respectively.

5.2.5 The potential impact of E-Tourism on the tourism industry in Thailand

Most of the experts refer to the same potential impact of E-Tourism on the tourism industry in Thailand. These are that travel agencies will surely feel effects from E-Tourism . Smaller travel agents, especially, will be in trouble because they lack customer volume. But they have to accept it and try to change. They have to find ways to add value to their products and to survive because they have more indirect competitors. Everyone must downsize in order to succeed.

5.3 Recommendations

Entrepreneurs

As the research, it is found the trend of the tourists in the future. The entrepreneur can study the table 4.17 (page. 77) which shows the tourist's perception of E-Tourism . They are satisfied in E-Tourism and concentrating on the new technology as the website more than traditional style like travel agency as table 4.17 The entrepreneur should adapt and add E-Tourism website on their business to expand the distribution channel and decrease the cost of advertising on magazine or newspaper because there are no way they can measure the response. This website, http://www.lastminute.com, show good example for entrepreneur. It does seem like one stop service because the tourists can create their package finish in one website. Moreover, the experts suggest the entrepreneur have to focus on niche market and they need to be creative and present a variety their products.

5.4 Limitation of study

This research study deals with tourists who surf the internet for information/ to reserve or purchase tourism products when they come to Thailand during May–June 2006 at the departure terminal of Bangkok International Airport. The travel agency professionals of travel agencies in Bangkok during April–May 2006 and experts in the tourism industry of Thailand during May – June 2006, but due to time constraints it also has some limitations.

Firstly, Airports of Thailand Public Company Limited allowed the researcher to distribute the questionnaires at Bangkok International Airport in area No.4. This area consists of the duty free shop, food court, massage and seating areas. Most tourists pass this area to reach their gates. The researcher was allowed to distribute the questionnaires to the tourists who sat in the seating area only. Moreover, the seating area was small. The researcher needed to observe the tourist turnover in this area to approach new respondents.

Secondly, the researcher distributed the questionnaires to the travel agency professionals by e-mail. It was discovered the most travel agency e-mail addresses are not updated because the researcher received many returned e-mailed questionnaires with error messages. The researcher also called the travel agencies to record answers to the questionnaires. It was difficult to speak directly with the director and many times the director wasn't the owner. The most of respondents were the managers and other travel agency professionals.

Finally, the researcher surveyed 7 experts in the tourism industry of Thailand. Few of experts studied the questionnaires before being interviewed. This caused experts to waste their time studying the questionnaires before being interviewed. Furthermore, some of them misunderstood the questionnaire.

5.5 Suggestions for further studies

This study provides a lot of facts and findings about the tourism industry of Thailand. Suggestions for further studies are as follows:

Firstly, future studies should test a hypothesis that measures the relationship among E-Tourism websites and making decisions to reserve or purchase tourism products.

Secondly, it is necessary to expand the number of respondents of primary research into the travel agencies of all regions of Thailand to check the trend of travel agency professionals' perceptions in each region.

Thirdly, the next study should focus on the reasons why some international tourists do not use the internet for travel information before they come to Thailand.

Fourthly, the next study should survey the experts in the Ministry of Information and Communication Technology to study SWOT of Thai E-Tourism websites and follow the progress of 2 new websites which concern the experts: http://www.thailandhotdeal.com and http://www.acmecdestination.com.

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APPENDICES

APPENDIX A

QUESTIONNAIRE

Questionnaire

I am a student studying on MBA in International Business (International Program) at The University of the Thai Chamber of Commerce in Thailand. I am conducting a research on the topic entitled "An analysis the potential impact of E-Tourism on the tourism industry in Thailand" to fulfill my MBA degree.

Part 1: Reasons for using the Internet for surf information/purchase or reserve

In this part, please answer the question are concerning on the profile of your journey and use of the internet using behavior. Please mark √.

…………………………………………………………………………………………..

1.1 Did you ever use the internet for travel information before you come to Thailand?

( ) Yes (Please skip to 1.3) ( ) No

1.2 Reasons for not using the internet

( ) Prefer other services

( ) Concerned about the security

( ) Not familiar with knowledge about using the internet

( ) Not interested in using the internet

( ) No access to the internet

( ) Non-availability of reservation or purchase service on the internet

(Please skip to the last page)

1.3 The approximate time to use the internet per week

( ) 1 - 3 hour ( ) 4 – 6 hours

( ) 7 – 9 hours ( ) More than 9 hours

1.4 The approximately how many times did you use the internet before traveled.

( ) 1 - 2 times ( ) 3 - 4 times

( ) 5 - 6 times ( ) More than 7

1.5 Purpose of using Internet for this trip (may answer more than one)

( ) Searching the Information ( ) Purchased air tickets

( ) Purchased transportation ( ) Purchased guide service

( ) Purchased accommodation ( ) Purchased package tours

( ) Purchased other tourism products and service

1.6 Could you remember which the website(s) that you search / reserve or purchase tourism product and services?

( ) Yes, I could

Please indicate 1. http:// ________________________________

2. http:// ________________________________

3. http:// ________________________________

( ) No, I could not remember

1.7 Reasons for using the Internet for travel information or reserved / purchased (Ranking three level for your reason)

**3 = the most important, 2 = very important, 1 = important*

( ) Using the Internet saves time.

( ) Their tourism products and services are attractive.

( ) Their tourism products and services can be customized as desired.

( ) Convenient process to reserve or purchase products and services via the websites.

( ) Less costly

( ) Many promotions

( ) Others: Please indicate ______________________________

1.8 Comparing to a travel agency, would you say that E-Tourism is...?

( ) Much better ( ) Somewhat better

( ) About the same ( ) Somewhat worse

( ) Much worse

1.9 Will you use the internet for traveling information or reservation the accommodation via internet again?

( ) Definitely will ( ) Probably will

( ) Might or might not ( ) Probably will not

( ) Definitely will not

Part 2: Tourists perception on E-Tourism

2.1 Respondents' views on traditional and online.

Question	*strongly disagree*	*disagree*	*Neutral*	*agree*	*strongly agree*
1. I find an E-Tourism website is more helpful than a travel agency.					
2. I find the price of accommodation in each website easier than call to travel agents.					
3. I find the price of accommodation in each website cheaper than the price of travel agents.					
4. E-Tourism is much more flexible and has many choices than travel agency.					
5. Sufficient information was available on the internet to solve my problem.					
6. The process of E-Tourism for getting my question resolved was excellent.					
7. The value of the E-Tourism, as compared to its price, is excellent.					
8. Overall, how satisfied are you with E-Tourism experience?					

2.2 Next time, if you want to travel you will choose ....?

( ) Travel Agency to arrange my trip

( ) E-Tourism website to surf and reserve by myself

Part 3: Demographics Characteristics

In this part, you will be asked to respond to a series of questions concerning your demographic characteristics. Please mark √ .

……………………………………………………………………………………………..

3.1 Gender

( ) Male ( ) Female

3.2 Age

( ) 18 – 24 ( ) 25 – 34 ( ) 35 – 44

( ) 45 – 54 ( ) 55 – 64 ( ) 65 and over

3.4 Your of Continent

( ) Asia ( ) Africa ( ) Europe

( ) South Americas ( ) North America ( ) Australia

( ) Antarctica

3.3 Marital Status

( ) Single ( ) Married ( ) Divorced/separated/widowed

3.5 Annual household income (US $)

( ) Under $25,000 ( ) $25,001 - $49,999

( ) $50,000 - $74,999 ( ) $75,000 - $99,999

( ) $100,000 -$149,999

( ) $150,000 and over

( ) Undisclosed

3.6 Education Level

( ) Less than secondary school

( ) Secondary school

( ) Diploma degree

( ) Bachelor Degree

( ) Masters or doctoral degree

Thank you for your time and cooperation!

Questionnaire

I am a student of MBA in International Business (International Program) at The University of the Thai Chamber of Commerce in Thailand. I am conducting a research on the topic entitled "The analysis the potential impact of E-Tourism on the tourism industry in Thailand" to fulfill my MBA degree.

Part 1: Entrepreneur's profile

In this part, you will be asked to respond to a series of questions concerning on profile of your business. Please mark √.

……………………………………………………………………………………………..

1.1 How long of your business operation

( ) Less than 5 years ( ) 5 – 10 years

( ) 11 – 15 years ( ) 16 – 20 years

( ) 21 – 25 years ( ) More than 25 years

1.2 Affiliate in your business (can check more than one)

( ) Resort ( ) Air ticket

( ) Inbound Tour ( ) Outbound Tour

( ) Domestic Tour ( ) Rental Car

( ) Package Tour ( ) Other…………………

1.3 Channel of distribution (can check more than one)

( ) Face to Face

( ) Agents

( ) Direct (on-site)

( ) Direct Mail

( ) Sales Visits

( ) Internet (e-commerce)

( ) Other....................

1.4 Current the medias of business (can check more than one)

( ) Advertising on television / radio

( ) Advertising on Website

( ) Advertising on magazine / newspaper

( ) Brochure

( ) Booth

( ) Other : Please indicate ....

E-Tourism (electronic tourism): The management of travel business on the Internet. It refers to selling, suggesting, reserving the accommodation for tourist via the web site.

Part 2: Entrepreneur's perception

2.1 Do you have website of your business?

( ) Yes, we have

( ) No, we do not have

2.2 In your opinion, which are the most important of the strategy for E-Tourism business? (Ranking three level of your opinion)

**3 = the most important, 2 = very important, 1 = important*

( ) Set the price less than the market price

( ) Advertising via online medias (web board / banner)

( ) Advertising on original medias (television / radio)

( ) Customer relationship management

( ) Attractive website

( ) Trust and safe on website

( ) Niche market, Special products

( ) Convenience for online payment

( ) Promotion (free voucher, free coupon)

( ) Affiliation

( ) Other: Please indicate ....

2.3 In your opinion, which are the most important of the strategy for travel agency? (Ranking three level of your opinion)

**3 = the most important, 2 = very important, 1 = important*

( ) Set the price less than the market price

( ) Advertising via online medias (web board / banner)

( ) Advertising on original medias (television / radio)

( ) Customer relationship management

( ) Impressive customer service

( ) Trust and safe of firm

( ) Niche market, Special products

( ) Convenience for payment

( ) Promotion (free voucher, free coupon)

( ) Affiliation

( ) Other: Please indicate ....

2.4 Perception of entrepreneur on E-Tourism .

**1 = strongly disagree, 2 = disagree, 3 =* Neutral, *4 = agree, 5 = strong agree*

Question	1	2	3	4	5
1. E-Tourism website is more useful.					
2. The price of accommodation in each website easier than call to travel agents.					
3. The price of accommodation in each website cheaper than the price of travel agents.					
4. E-Tourism is much more flexible.					
5. Sufficient information in E-Tourism website was available on the internet to solve tourist's problems.					
6. The process of E-Tourism easy to getting more information and have many source.					
7. Technology, particularly and internet, allow customers to perform most travel searching and purchasing functions conveniently.					
8. Technology assisted travel counseling will not be popular because many travelers are computer illiterate.					

Questionnaire

I am a student of MBA in International Business (International Program) at The University of the Thai Chamber of Commerce in Thailand. I am conducting a research on the topic entitled "The analysis the potential impact of E-Tourism on the tourism industry in Thailand" to fulfill my MBA degree. Please feel free to answer the questions below.

Part 1: Interview the expert's perceptual

INTERVIEW FORM

Research: The Analysis the potential impact of E-Tourism on the tourism industry in Thailand

Name-Surname.. ....

Position..Experience....................Years

1. How are present circumstance of tourism industry of Thailand and what are strengths, weaknesses, opportunities, threats in this circumstance?
2. What are factors which affect on tourism industry of Thailand in the next year?
3. How are trend of tourism industry of Thailand in the future and why do you think like that?
4. How are present circumstances of E-Tourism of tourism industry of Thailand?
5. What is trend of E-Tourism on tourism industry of Thailand in next year?
6. In your opinion, how are trend of E-tourism/Supplier impacts to entrepreneur, E-Tourism impacts to tourism industry in Thailand in the future and what will be the new entrance?

Thank you for your time and cooperation!

APPENDIX B

INTERVIEW

Name : Chaisong Churit

Position : Executive Director, Information Technology,

Tourism Authority in Thailand

Director of Domestic Marketing Department,

Tourism Authority in Thailand

Director of Fukuoka Office, Japan

Experience : 29 Years

1. How are present circumstance of tourism industry in Thailand and what are strengths, weaknesses, opportunities, threats in this circumstance?

The overall inbound market will grow. The government wants the figure to rise and we have always been trying to do so. We think it is possible but several factors are involved. External factors include the global situations. In fact, any PR work requires money. Compared to neighboring countries like Malaysia, the budget TAT is allocated is considerably minor. But we have good resources and cooperation from the private sector, good products so to speak, we are in the position where we can attract foreign tourists. I think it will be quite good if we are allocated the proper budget to promote our country.

We offer a host of products including spas and health products. The Thai culture is also distinctly appreciable. When we welcomed dignitaries from those twenty-five countries, many commended us on our fine culture. Travel products are at no cost. Natural attractions and cultural elements cost us nothing. But we have to care for them, though.

Attractions are not properly cared for. Certain places need improvement in terms of personnel, tourist guides and such. Service is the heart of the travel industry. Even TAT ourselves are focusing on marketing and not on personnel improvement. On the other hand, Vietnam is now quite serious about personnel improvement. Their waters can communicate in English. We need to be aware of this as well.

Thailand is a central Asian location, especially considering Suvarnabhumi Airport which is being launched. The government wants Thailand to be a hub and that comes with more tourism opportunities. As for the launch of new attractions such as Siam Niramit, the private sector needs to cooperate as well. They will give us the competitive edge. Personally, I try to see what we can do with new attractions. If we allow opening of casinos, there will be opposition and we will need to implement strict measures to control them. But we will not be able to prevent from gambling. We must determine what will benefit our economy and allow Thailand to compete with other countries.

One of the threat these days is the global economy. Each country is economically affected by oil prices. And then there is terrorism which is a delicate issue and natural disasters like the tsunami. We believe that Thailand has recovered well from the tsunami. We have tried our best to comfort and sole everyone and make them feel safe. One thing that helped promote Thai travel industry is low cost airlines. They encourage people to travel more. Even foreign tourists fly low cost domestically. Thai people who could afford to fly with Thai Airways needed to be pretty well off because of the expensive air fares. But you can now fly with only a little over thousand Baht. This is why Thai people have become more active. Internet usage has become more accessible. Online booking is introduced. These things will greater influence. Oil price issues have driven Thai people to travel more efficiently in terms of cost. They travel more during the weekends or go on more day trips. People share cost by hiring a bus.

2. What are factors which affect on tourism industry in Thailand in next year?

For the next year it will still be oil prices and terrorism. Our market planning will have to take into account the general direction in which we are going. We have to determine which countries are coming strong. China for the previous year and this year. Russia is one as well because their people are financially sound. Coincidentally, the April PATA (Pacific Asia Travel Association) conference in Pattaya had Brazil, Russia, India and China as high potential markets. We have to think how we can penetrate these markets in the future. Salable Thai products for these markets are spa and health products. Beaches and hotels are already a given. One other trend is the Internet and e-commerce. They are gradually becoming popular but there are also obstacles associated with those.

3. How are trend of tourism industry in Thailand in the future and why do you think like that?

It is likely about the focus on niche market. But at the same time we will continue to support sustainable tourism, home stays and ecological tourism. In fact, I think we implement the travel industry to help with our country's economy. Exports, investments and tourism are contributing factors. Thai tourism serves the government. But their agenda is to improve the economy. I think we should focus on the spending of tourists rather than their number. That is, we should determine which are the right markets and products and try to gain quality tourists. We must try and encourage them to spend more and stay longer. Offer interesting packages instead of focusing on the number of tourists who may not spend that much while in the country. ATTA also said we should not concentrate on the number of tourists but their actual spending.

4. How are present circumstances of E-Tourism of tourism industry in Thailand?

That is better because we have held conferences and established web sites for participation by B2B (Business to Business). We have www.thailand.or.th for sale of products and we have prepared a global web site in English which we will not launch until July. That one is hosted in the United States of America. One thing we have found out is that the private sector is not particularly good at selling packages or hotel rooms via the Internet as yet. Most minor operators do not understand the Internet. First of all, they need to appreciate the significance. Secondly, some of them do not speak English and are at a disadvantage of English speaking countries. We try to point out that you do not have to go abroad to sell. You can be here in Thailand and do it through your web site. One other thing is that travel agents and hotels are not cooperating. Each tries to do it on their own. I have received complaints quite frequently that room rates are nearly the same. If this system is to stay, the rates offered by travel agents must be cheaper than those offered on the Internet so that clients will be satisfied that they get the cheaper rate as well as the convenience. Hotel rates should have added values like complimentary spa or dinner so that the clients will be satisfied with the better value although the rates may be a little bit more expensive. This will allow both parties to coexist. But if the rates differ only slightly, the travel agents will not be able to beat Internet sales. This is up to the cooperation of the private sector.

5. What is trend of E-Tourism on tourism industry in Thailand in next year?

That should improve. TAT will focus on the minor operators because they have poorer connections. Major hotels and businesses have better connections. They are backed by chains and the Internet. We only need to remind them that they should join the system. It is inevitable that tourists from around the world will book via the Internet in the future. They will have to search for accommodations first. Then we will have a directory suggesting that this particular hotel is like this and that and you should contact this travel agency. After the tsunami, we tried to find a way to sell our Andaman. Then we came up with www.thailandhotdeal.com through which we sold only products from the Andaman, particularly the six affected provinces. The government had allocated us 18 Million Baht and the prices needed to be really special. It went on from October 2005 to April 2006. We have invested 18 Million Baht and were able to sell a total of 88 Million Baht worth of products. The figures can be verified. As you can see, if we do it right, if we have the right products and operation plus the cooperation from the private sector, we can make it a success. That is why we are preparing the second episode of www.thailandhotdeal.com which will be launched in July. We have invested over 20 Million Baht in this. And this time round we will offer products from all parts in Thailand and not just Andaman. The products offered will be the best and the cheapest. They are chosen by us for their quality. Thai tourists can shop there as well but they need to interact with an English interface. Then we have the experts.

6. In your opinion, how are trend of E-tourism/Supplier impacts to entrepreneur , E-Tourism impacts to tourism industry in Thailand in the future and what will be the new entrance?

Travel agents used to sell accommodations and be paid commissions for those. But if hotels or other suppliers begin to sell on their own, the role of travel agents will be minimized. They will have to adapt because they will no longer be able to sell packages the way they used to. They need to present their offerings via the Internet. The format must be interesting and they have to focus on niche market. Their web sites must be well designed and informative. Tourists must be able to do searches on their web sites. Travel agents need to be creative and present a variety of products with prices for the clients to choose. Communication is needed here. You cannot just sell standard packages as printed in the brochures because tourists can now book accommodations, attractions and restaurants by themselves.

If by suppliers you mean hotels, rental car companies, restaurants and such, they can sell directly through electronic channels. This certainly will affect travel agencies in terms of rates and the power to bargain. However, selling of products is dependent upon the market mechanism of each business. Travel agencies need to adapt. Suppliers are SME's. If they try to penetrate the market using information technology, that should not be extremely frightening for travel agencies. Both parties need to cooperate. Travel agents sell by the volume while suppliers can earn more profit by naming their prices on the web. To sum it up, yes, they will be affected but not seriously so. If suppliers are successful at this, travel agencies will be seriously affected. Most tourists still use travel agencies. Hotels will affect them more because if their Internet sale will make it difficult for travel agents to organize packages. The hotels may sell at lower rates. On the other hand, there are not really many channels for rental car companies and restaurants. They may introduce promotions but their chances are better cooperating with travel agents than doing direct sales.

New entrance is the use of information technology for marketing purposes. Web sites are not widely for sale and promotion of business. But low cost airlines will become more popular and progressive. In the future computer will be used for public relation purposes. New inventions will be smaller electronic devices like cell phones. Newer cell phones support so many things. They can be used for sale and purchase of products because of the convenience it afforded. For example, if you travel to another country or approach an attraction, the system will inform you of attractions, restaurants and hotels in the vicinity. What their telephone numbers are and how you can place a reservation. But this service must be moderated so as not to irritate the clients. It can be catered to clients who have applied for it. If you get a message once you are in the area, you can show it to the hotel and get this many percent of discount, for example.

Name : Suchada Borsub

Position : Director of Marketing Information Technology Division,
Tourism Authority in Thailand

Experience : 29 Years

1. How are present circumstance of tourism industry in Thailand and what are strengths, weaknesses, opportunities, threats in this circumstance?

Thailand has her own strengths. In term of tourism, we have a variety of tourist attractions. Our country is larger than our neighbors like Singapore and Hong Kong. We have everything to offer from culture to adventure. We have our mountains, we have our beaches. We have our festive and cultural heritage. The ways of life and organized tourist activities such as Loy Kratong festival. And we will have a new, larger and more convenient airport next year.

Ripping off tourists and trying to push them stuffs when they are at attractions. Safety, cleanliness and order issues.

We are rather fortunate to be able to offer lower costs compared to other countries like Japan. Transportation, accommodation, food, they are all cheaper here in Thailand. And then we have the Thai hospitality…our smiles. Our country is a considerably free one. We have night life, we have entertainment. These are important points.

Unrest in the three southern provinces. All the killing and shooting. People do not know that they are limited to three provinces. They only know that Phuket is in the south and they it is not far away from those provinces. And regarding the political protests, things have subsided but we do not know when they will be coming back. The tsunami still has some lasting effects. People are still afraid because if it happens once, it can happen again. And they choose to go to other, less risky destinations because the choices are many. The bird flu situation is not over yet. New cases are reported occasionally. The tourists are not entirely comfortable with the situation just as yet. We had bird flu. Our neighbors still do. People do not want to take risks.

2. What are factors which affect on tourism industry in Thailand in next year?

The global economic situation is not looking as good as it should. Oil prices have affected everything including transportation. Air fares will be more expensive. The costs rise for all modes of transportation.

3. How are trend of tourism industry in Thailand in the future and why do you think like that?

It should be okay compared to other industries where you have to wait for raw materials, manufacture something and export the products. Tourism is different because we are not losing anything. We only gain foreign currency. We may import food ingredients but those are negligible. Take industrialized countries like France and Spain for example. The tourists in their countries outnumber their citizens. Their economies are then good. If we do not destroy, if we try to nurture and expand our tourism industry, it will grow. If they come to our country and they are impressed, they would tell their friends and relatives so. Everything should be fine generally speaking.

4. How are present circumstances of E-Tourism of tourism industry in Thailand?

Statistically, Asian countries collectively have the greatest number of Internet users in the world. But it is not so in percentage. Thailand has 66 million citizens but only 2.3 million or 12% use the Internet. This figure is low compared to other countries. There is still room for growth. E-Tourism has the potential to grow and very quickly so.

5. What is trend of E-Tourism on tourism industry in Thailand in next year?

Things look to be on the rise globally, not only in Thailand. The new generation of people will use electronic systems more because their lives revolve around computers.

6. In your opinion, how are trend of E-tourism/Supplier impacts to entrepreneur , E-Tourism impacts to tourism industry in Thailand in the future and what will be the new entrance?

That surely will have effects. Travel agents also fear that but there is nothing they can do. Things change and if you want to survive, you need to adapt. A resort might sell their rooms via middlepersons. But right now they have the choice of selling directly and earning more. They no longer need to use middlepersons who now need to adapt. The con is risks involved with online purchase over the Internet. Tours are usually sold as packages. Instead of offering only accommodation, they may include flight tickets, transfer fees and sight seeing. But if we want to buy packages online, we may need to buy separate items and combine them which are not very convenient. These are the pros and cons. The effects will be felt most seriously by the middlepersons. They need to adapt in order to stay in business. As for e-tourism, if it makes things quick and convenient then it is good. It should be able to promote the industry if it offers timeliness and competitive prices. If tourists book more via the Internet, travel agencies will be hit hard.

New entrance: There are a lot of new inventions these days, not only the Internet. I personally think that cell phones will be a new entrance. It will help facilitate e-Tourism well.

Name : Prayuth Tongperm

Position : Director of Domestic Tours and Deputy Managing Director, N.S. Travel & Tours Co., Ltd.

Vice President, Association of Domestic Travel

Consultant, Thai Ecotourism and Adventure Travel Association

Attraction Survey Consultant, Association of Thai Travel Agents (ATTA)

Tourism lecturer

Experience : 20 years

1. How are present circumstance of tourism industry in Thailand and what are strengths, weaknesses, opportunities, threats in this circumstance?

Regarding general circumstances, policies and initiatives of the government and TAT, we can say that they are clear and proper. There are plans to seriously invigorate the tourism industry so that more tourists will come to Thailand as hoped by TAT. But there are a few realities we have to face. Firstly, the tsunami two years ago has affected people in the six southern provinces, Thai people living elsewhere and foreigners. TAT and the government have tried their best to remedy the situation and to earn the confidence of tourists. They are assured that they will be safe if they travel to those six provinces. Secondly, there are economic issues like oil prices. The tourism industry may slow down as a result. They go up and down but we can handle that in time. Thirdly, gold price which remains on the rise. Rising gold price indicates that the economy is good and certain currencies are strong. Some other currencies may then depreciate. But if the economy improves and US dollar and Euro become stronger, the United States of America and Europe will be with greater purchase power. This is positive for the tourism industry when tourists visit Thailand.

Thailand has many forms of attractions, manmade and natural. We have the mountains, the beaches and the woods. They are all rich, accessible, safe and impressive to the clients. These are the advantages we have over other Indochnia countries.

We can proudly present our manmade attractions. They are not any inferior to those of other countries. Temples, ancient sites and artifacts.

Recreational attractions such as Phuket Fantasy, Siam Niramit, Dreamworld and Siam Paragon attract a lot of tourists to Thailand.

I think it has to do with our advertising and follow-ups. Malaysian and Singaporean governments allocate immense budgets to this. Our ad spots are periodical or situational however. Frequented attractions will inadvertently be ruined if they are not systematically and continuously managed.

Thailand is especially promoted this year, directly and indirectly, as we celebrate His Majesty's 60th anniversary of ascension to the throne this year. Dignitaries from twenty-five countries visited Thailand for this. The ceremony means so much to Thailand people and the PR benefits it offered were great. There were spots inviting tourists to Thailand. The barge procession was one. This is a fine opportunity to attract more tourists and improve our economy. We can organize packages to royal projects so that people will better appreciate the hard work His Majesty has done for Thailand. We can sell these domestically and abroad.

The unrest in three southern provinces has caused some negative effects. And the kind of news being disseminated by Malaysia and Singapore deters tourists to an extent.

2. What are factors which affect on tourism industry in Thailand in next year?

Oil prices, rising gold price, wars and unrest in the south. If you ask me, I would say unrest in the south is it. For the past three or four years it has been affecting Hadyai, Songkla, Yala, Pattani and Narathiwas frequented by Malaysian and Singaporean tourists. Rising gold price is a good thing as it suggests good finances and good European economy. If they can spend a US dollar and get 40 Baht in Thailand, tourists will flock to Thailand and other Asian countries. We have to admit that the economic situation and oil prices will make people spend less. If a family uses a car, they will now be more concerned about associated expenses. But if we look at this from another perspective, people who are concerned in this manner may choose not to drive to places on their own and use travel agents instead. What can we do to make our products appear satisfying to these tourists? So that they will not choose to travel with us instead of driving no their own. There is a way out of every situation. Whoever comes up with a solution wins. That is up to timing and opportunities.

3. How are trend of tourism industry in Thailand in the future and why do you think like that?

A lot of inbound tourists from South East Asian and ASEAN countries are coming to Thailand. We are a hub and a key destination. They come to Bangkok first before going on their way to Siam Reap, Phnom Penh, Rangoon, Mandalay, Hongsa, Luang Prabang, Wae Dadung, Hoi An, North Vietnam or South Vietnam, and even Malaysia and Singapore. This is an advantage we have. Now, if asked what the Thai tourism industry is going to be like, I can assure you that it is only getting better by the day, especially for Thailand. Picture Thailand as the tourism hub. We are already at the center of Asia. We are already at the center of Indochina. Transportations are made easier these days. All countries are more accommodating and politics is getting out of the way. Take the north for example.

- From Chiang Rai, we can exit through Ta Keelek to Chiang Toong, La, Sibsong Punna, and to Kunming of China by bus.

- From Nan, we can go to Ngern, Chunyaburi and Luang Prabang. From Nakhon Phanom, we can go to Ta Kaek, Highway No.8, Wing and turn left to Halong Bay and Hanoi of Vietnam.

- From Mookdaharn, we can go to Sawankate, Highway No.9 to Lao Bow checkpoint, turn right to Kwanti Wae Danug and Hoi An. From Aranyapratate, we can go to Phnom Penh, Seesopon and Saigon.

We are a significant, central location. And this is very good for us. TAT has launched a new web site last month at www.acmecdestination.com. It is a joint cooperation of Indochina countries: Thai, Laos, Cambodia, Vietnam and Burma. If you ask me, I would say that the future is good Thai tourism industry. You can secure the clients with the same old routes if you can arrange for a combination of interesting program, accommodations, restaurants and really knowledgeable guide. Thailand is at an advantage because we have our unique characters, our tourism industry is constantly and systematically developed; and, our private sector is truly unified. We have associations like Thai Ecotourism and Adventure Travel Association and

Association of Thai Travel Agents (ATTA). Thai tourists have their own Thai Tourists Association, for example. The members of these associations contribute to the improvement of Thai tourism potentials so that we will be able to accommodate Thai tourists. When all three parties collaborate on a project, it comes out satisfactory to both Thai and foreign tourists.

4. How are present circumstances of E-Tourism of tourism industry in Thailand?

The situation has improved a great deal. The world becomes smaller. Tourists and potential travelers can learn more about things faster and easier. E-Tourism can help tourists know and understand better, and visit us sooner. It presents the products right at their doorstep and their bedroom even. Tourists can now decide on products more conveniently. But if we are to prepare a web site, the program designer must be one who has in-depth and correct understanding of places and is able to write in an interesting manner. Writing that is neither too long or short. Writing that makes people feel compelled to read on. Photographs are important, too. You need impressive ones.

5. What is trend of E-Tourism on tourism industry in Thailand in next year?

We already have our e-Tourism web sites so we should keep it updated. TAT updates theirs every three months. Travel agents who have their web sites should design and present programs, attractions and accommodations so as to impress the tourists. Which photographs you can use for those? The operators and TAT should think about that.

6. In your opinion, how are trend of E-tourism/Supplier impacts to entrepreneur , E-Tourism impacts to tourism industry in Thailand in the future and what will be the new entrance?

Entrepreneur: New companies like Phuket Fantasy, Siam Niramit and hotels with their own web sites do sell their programs on their own. Travel agents get better rates from these establishments because they need the agencies to feed them tourists. The sales channels are diverse. They can do direct sales, corporate sales, through the government or whatever. But they have to sell through the agents as well. The kind of volume they get is possible because of the agents. Smaller travel agents will be in trouble because they lack this volume. What else affects the revenue of travel agencies? Less well known companies that sell at cutthroat prices. How can you tell Thai and foreign tourists that they should buy from professional, standardized and licensed travel agents? Because if the service is no good then they can complain with TAT who would then demand a refund. But what if clients do not know this and have the impression that they can buy from anyone? Two, three, six then eight people buy from poorly established companies without license who offer careless services. Clients are not impressed. They do not get what these companies agreed to offer. Then they complain on web sites. It is hard to recover from these bad reputations. Good things spread quickly and bad things are hard to amend.

Industry: The good things with e-Tourism are that Thai and foreign tourists can pursuit interesting programs on their own. The bad things are that any bad news likes robbery or rape involving tourists are hard to monitor. One other thing is the writers. Subjective comments are beneficial to the readers while biased ones are not. E-Tourism adds to more than subtracts from the tourism industry. People can learn about things more quickly. If they are interested in certain programs or attractions, they can simply choose travel agents at their fingertip. But then you have to think hard about the bad news being disseminated. It is like two-sided swords. Think of preventive measures can be a headache. We should instead think of how we can improve our e-Tourism web sites and maximize the potentials in Thailand as the place to be.

Suppliers: There should be more positive effects. We can present the latest news and promotions we have with airlines and associations. And when suppliers deal directly with clients, we can talk less. Just log in to their web sites and you get to know their latest developments. Negative effects are not as pronounced yet. In fact, information on the Internet is used more positively than commercially.

New entrance: Greater economic, social, politic and tourism cooperation among Indochina countries. This region can be made smaller with e-tourism.

Name : Woodhichai Makwong

Position : Marketing Director, N.S. Travel & Tours Co., Ltd.

Experience : 24 Years

1. How are present circumstance of tourism industry in Thailand and what are strengths, weaknesses, opportunities, threats in this circumstance?

I do not see inbound, outbound or domestic markets growing significantly. Thai travelers are not traveling regularly but rather concentrate on major holidays. This is reflective of lowered purchase power. People are being selective. If the purchase power is high, they will travel more regularly. Some foreign markets are going well. You have to admit that certain global situations are not stable and those we have internally do affect the tourism industry.

We have considerably good resources for tourism. We are at an advantage geographically. And we do not really know how to manage these resources. Our personnel from the top down lack the expertise needed.

This is actually two-sided. When circumstances change, the factors change, too. It may affect us negatively at one point but as time goes buy the effects on us may become positive. For this reason I do not want to predict which circumstance will cause positive or negative effects. For example, if we lose the clients at one time and the attractions are not crowded, it could be a good thing in a sense considering that those attractions are preserved for the future. We might have had a lot of competitions if we launched those attractions at that time. But if we do so when the novelty of our competitions is wearing off, we will appear more attractive. So timing is one thing. The best for us is to be prepared, to be able to manage and to have clear objectives. But if we launch when we cannot properly manage our own resources, then it is no good whether we do it sooner or later.

Oil prices and other global situations do affect us. Tourism affects everything. And traveling is both business and sentimental. It can be regarded as necessary or not. People who live in the city may think that it is important. But those who are farther out in the country may think otherwise because they are not under much pressure to begin with.

2. What are factors which affect on tourism industry in Thailand in next year?

I think it is the same old factors affecting us all over again. Global situations, economy, politics and disasters.

3. How are trend of tourism industry in Thailand in the future and why do you think like that?

People want to travel more as the cities expand. The problem is whether or not our resources will be depleted. Can we invest in the building of new attractions? Do we have sufficient resources? Will technology help us transport people more effectively? How can we make traveling easier? People want to relax in different settings. Staying home may not be as relaxing as staying over at some place different, as experiencing something new, as being able to get away from the usual feelings. Do something different for a change, have our lungs cleansed and recharge. This is why city people travel more than those in the country who value money more and choose to travel only when it is necessary.

4. How are present circumstances of E-Tourism of tourism industry in Thailand?

E-Tourism is becoming more commonplace and widely accepted. This is the period of transition when technology replaces the old ways of doing things. The problem is that most people who use computer do so at the office. Not that many people use computer at home and in the case that they do, they are more likely to be the new generation of people with lower purchase power. This is why the electronic channels are not as popular as they should be. Besides, people need to trust the system. Trust is achieved in two ways: blind faith because there are not that many choices, considering instability, expenses and risks; and, the system itself needs to appear reliable and safe because this is what Thais are most concerned about.

5. What is trend of E-Tourism on tourism industry in Thailand in next year?

The trend where foreigners book hotels online is on the rise. More companies are providing this service and it will become a standard feature in time. Our internal systems may not be presently accessible by the clients but in the future the clients may be able to book directly. The older systems will naturally become obsolete and replaced. More companies will need to introduce a system such as this in the future in order to attract more clients. This is the transition period. This is the period of changes…of workforce and technology…both elements need to match well in order for one to jumpstart. Nevertheless, the change will be gradual because older people are not familiar with the system. They need to learn little by little in order to operate it.

6. In your opinion, how are trend of E-tourism/Supplier impacts to entrepreneur, E-Tourism impacts to tourism industry in Thailand in the future and what will be the new entrance?

The effects we have experienced have led us to pay more attention to and invest more in electronic systems. We previously had the notion that what mattered was service, what mattered was being able to meet face to face and to have conversations. We thought it was impossible for people who have never met to do transactions because of the lack of trust. But we now appreciate the changing trend. Technology is becoming more influential and it helps lower cost. Rising costs, more expensive energy and the demand of people to know reservation results instantly. This is a change of behavior and culture. You place a reservation and you need to know how it goes in minutes, not days. This is a trend started by other businesses. Even government offices are now computerized. People may spend only five or ten minutes there and get whatever it is that they want done. But if these people have to wait an hour at a private company, they would not be able to stand it. Perhaps, we will not need a walk-in office in the future. Clients will probably not have to visit us. This saves time and resources which we can then spend on other things. As the world evolves, travel agents need to do the same. Anyone who is able to adapt to the changing circumstances first wins. Those who are slow to adapt will lose and eventually learn to adapt. This is the truth of life. It is inevitable. To run a business we need to learn how things go, not go against it. Certain things can give us opportunities or allow us to set trends if we can be the leader. The problem is how we can be the leader. As it is, somebody defines the trend for us. If we can position ourselves as a leader, we should be able to define the new way of life. And a leader may not stay in that position forever. Things change. It is a question of necessity. If we do not develop existing resources, they will become deteriorated. We will reach a dead end and begin our descent. Unsuccessful systems need to be wiped out in order to keep the balance. Tourism industry is the same. It is inevitable. Things fuse together. We cannot know if businesses will go horizontally or vertically. Horizontally: Advanced technology. Everything is integrated. Imagine how you can contact a place and plan your life, find a partner, get married and book your honeymoon. How will you manage your life? Traveling may be one of those things. You can simply walk into the office of a company and they will handle everything for you. Vertically: things become specific. Traveling can be arranged through a travel agency. What is your lifestyle? You can find an expert in that field. Both are possible. It comes down to which is better. E-commerce is introduced. Less labour is employed. More systems and machines are used. More brains are used. Humans control everything else…everything but their own life.

Supplier is one of the factors which directly affect prices. Hotel rates are dependent upon the market condition. They are expensive when the market is good. And they are not enough rooms in that case. Besides, the rates offered by the hotels to clients through their web sites are not really different from those which the clients would get from travel agencies.

New entrance, I think FTA will have a direct effect. A free trade means there will be no boundary. We may no longer have to buy items from distributors in Thailand. But foreign companies will be able to invest more flexibly in Thailand. Now it comes down to who is better. The smarter ones will secure the market. Then what are the weaker ones to do? We have to think about that? If we are strong, we lead the way and secure market shares more quickly.

Name : Suthiphong Pheunphiphop

Position : Managing Director, Glory Travel

Committee Member, Domestic Operators Association

Committee Member, Thai Travel Agents Association

Member, Rotary Club of Thonburi

Experience : 28 Years

1. How are present circumstance of tourism industry in Thailand and what are strengths, weaknesses, opportunities, threats in this circumstance?

Thai travel industry should be in good shape after over forty years. We have exploited our resources without thinking much about maintaining them throughout this period of time. TAT promotes our country to attract foreign tourists and secure foreign currency, without realizing that environmental preservation should be simultaneously implemented. During the low season when foreign tourists do not visit Thailand, we have to turn to the Thai clients. But then again, we had neglected the local market for decades. We started paying them serious attention four or five years ago following the establishment of the association by operators in this field. We do it even though the government fails to realize its significance. Our attempts have earned us a degree of success. The government usually forgets to take into account the benefits of the public. They do things to support themselves. We have suggested to them the significance and asked for supporting activities or a foundation for sustainable travel industry. I had been to Bhutan five and ten years ago. They limit the number of visiting tourists at five thousand a year and the fares are prohibitive. Every time I went there the nature remains intact. It may not be as good as before, some new things may be built, but it is still there. They take good care of their resources and do not care much about making money. All five thousand visitors are quality tourists and the fares are very expensive so anyone who wants to visit Bhutan must be well off. They have 3-star, 4-star and 5-star hotels over there but their 3-star ones may be as expensive as our 4-star and their 4-star may be on par with our 5-star. This is how they do their quality control. They do not go out to attract backpackers. Our attractions have been under the spotlight since no longer than ten years ago. Ministers in charge of tourism in all past governments lacked visions. We became active only two years ago when we were hit by the tsunami. The travel industry is not making much progress these days because of the policies which are self-contradictory. No plan is established. No budget is allocated. Then the projects are cancelled. We planned to promote this and that but when the time came no budget was allocated or we had to do it ourselves. It seems like the private sector is not getting much support. We should not be waiting for that anymore. We should try doing things on our own. The outlook is not very good.

We are fortunate to have the mountains, the lakes and the beaches. These are our strengths. Other countries do not have them like we do. Then we also have cultures and festivals which go back 700 to 800 years ago. Our competitors do not have these things, those in other regions included. But the question is how we are going to keep them intact. Certain cultures are already weakening. Japan is able to maintain a very strong culture, especially in rural areas. But we claim that we are a developed country, we do what westerners do and then we begin to lose our cultures while countries which are ten times more developed than we are manage to retain theirs. Ours became occasional or once a year thing. Some of the festivities have disappeared altogether. These are the strengths we should maintain.

There is no need to talk about this. Thailand accepts everything from all four corners of the world without discerning which is good or bad. We are westernized too quickly. We did not screen anything. The government let everything through. And then our youths like these things so much. Government officials and myself are even ashamed of ourselves. When we say something, we want it to be clear and correct. We forgot that we also have our own culture and we accepted too much of the west. Thailand tries to become like the west is so we are open to everything. We want revenue to pour in so we have never imposed any control over number and quality of tourists. Why does Thailand have zero-dollar tours? Zero-dollar tours are where Chinese tourists bought packages from travel agents in China for a small price. These agents then send tourists as a group to travel agents in Thailand without having to pay even one dollar tour fares themselves. Because they want Chinese to visit Thailand. 300,000 Thais visit China each year while over one million Chinese come to Thailand. But the few hundred thousand Thais who visit China spend more there than Chinese visitors to Thailand. Thailand gets nearly nothing. These things have ruined the reputation of our country for long enough. Tourists are forced to buy low-quality products and offered night life-oriented shows. This is not a good thing. Ambassadors and consuls of many countries I have met said the number one complaints they have received from their people who visit Thailand is non-returnable goods with hiked prices.

Our weakness is that we rip tourists off. And the assaults we learn of in newspapers are repeated by mouth. People do not want to visit Thailand. Bad things come to their mind when they think in Thailand. They think that we are underdeveloped. They cannot picture sky train or 70-storey skyscrapers just as yet. Visitors who are not well received upon first arrival will have a lasting bad impression.

Our opportunity is the fact that we have the absolute best slogan “Thailand: The Land of Smile”. Nobody smiles as sincerely like Thais do. We smile as we greet. That is a good thing although the practice has waned somewhat. Foreigners do not do this. They smile only when they are happy. Our smiles attract them so to speak.

There are also damaging issues. Our political situation is not exactly stable. Some foreign news agencies think that Thailand is connected to the three provinces where killings take place daily. People do not wish to take risks. They cannot see why they should visit Thailand if so. They do not realize how far these three provinces are from Samui, Phuket and Krabi. They only know that these provinces are in the south. They must be right next to one another. So this scares them away. A lot of people lost their life in Bali. We had the tsunami then there are unrest in the south, instable political situation and demonstrations from the beginning of the year. The number of foreign tourists has dropped considerably. The number of Thai tourists traveling to other countries is lower as well. People do not feel well when there is a political disturbance such as this. When they are not happy, they do not want to travel. Every tourist wants to travel happily and with a peace of mind. Economically, the government has been able to manage the exchange rates well. The fluctuation is not so great. Visitors are still happy to spend while in Thailand. It is good that tourists still visit us. And the bad thing is the politics.

2. What are factors which affect on tourism industry in Thailand in next year?

I can tell you outright that is 2007. If political uncertainty and daily killings in the south remain, the number of visitors to Thailand or of Thai people traveling to the south will decline. Political instability results in economic instability. When things are so, people spend less. Tourism events organized by the public and the private sectors from the beginning of this year were not well attended. The government, Ministry of Tourism, TAT and associations are encouraging people to travel locally during July 1st and October 31st but we are not certain how successful that is going to be. No project will be made clear with this lasting political uncertainty. Now, fewer Thais will travel locally, few foreigners will visit Thailand and few Thais will visit other countries.

3. How are trend of tourism industry in Thailand in the future and why do you think like that?

Quite frankly, if we can arrive at a political solution, the overall economy in 2007 through 2010 is going to be great. The majority of our revenue is from tourism. The targets we have set are not so difficult to achieve. I believe that our travel industry will get back on track. But right now we need to have good tourism management first. We need to keep our attractions from becoming deteriorated. But the public sector may not have the time to look into this yet because they are still debating about benefits because certain agencies oversee revenue while some do not. Attractions are not improved. Certain individuals do not know how to improve things and are not willing to accept anything new. They do only what they know. The government claims no responsibility once a work is delegated to a certain agency. And some CEO's still lack relevant visions.

4. How are present circumstances of E-Tourism of tourism industry in Thailand?

E-Tourism for outbound tour is few and far between. And nothing is made official for domestic. As things stand, any minor operator, SME or agent is good enough if they have a web site. But then again these web sites are dead because they are not updated. Inbound e-commerce is rather successful because buyers are foreigners. Without these things it will be hard to penetrate the market. We have to pay 50,000 to 100,000 Baht each time we join TAT's road show. Smaller operators and hotels cannot do this. They need to resort to e-commerce or e-marketing and develop good web sites accepting credit cards. The inbound companies are highly experienced in this regard. They should have done these ten years ago. But things began to fall in place during the past four years with the support of the present government. Many presidents of Association of Thai Travel Agents (ATTA) have been successful with inbound businesses. But there is one thing which affects operators like us immediately. Foreign operators do not usually book through us. Rather, they book directly with suppliers who have their own web sites. We are middlepersons who mix and match services. If we are cut out of the loop and suppliers deal directly with the clients, we are in trouble. But we support this anyway.

5. What is trend of E-Tourism on tourism industry in Thailand in next year?

Things will only become more developed. We will never go back to do things manually. Everyone tries to do this now. They try to have web sites and use e-mails. Those who are not trying would become obsolete. Once the FTA is in effect, almost every country will invest upward of 100 million. SME's will eventually be drowned. Europeans and Americans will establish their companies here. Thai agents will probably disappear in two or three years time, about 2008 to 2010. These foreigners may not establish companies but hold shares and expand businesses instead. Hotels are included.

6. In your opinion, how are trend of E-tourism/Supplier impacts to entrepreneur, E-Tourism impacts to tourism industry in Thailand in the future and what will be the new entrance?

Suppliers are even more responsive than we are. They have their products like hotels, ships and attractions. They know how quickly the world evolves. Most of the attractions are medium to large in size. They started doing direct sales through electronic channels before we did. They allowed tourists in foreign countries to book directly with them. The rates given are equivalent or cheaper. This surely affects us. We sustain damages. But in the long run we also sympathize with them because they had to invest more than we did. Travel agents like us are middlepersons. We combine the services of ticketing offices, rental car companies, hotels and attractions and offer them as a package. Of course, we are at a loss of benefit if foreign tourists deal directly with suppliers without going through us. But we have to accept it because it is how business is done. We have to put on our defense. We have to find ways to add values to our products and to survive. Suppliers do not need travel agents during high season because clients would come to them. But it is not so during low season. They have to find a way or else they will be in trouble.

New entrance: One thing which we fear but cannot stop is FTA. As for inbound, they will be affected more than we are because my company focuses on domestic market. I am sure that foreign agents will cater more to their people. But if they really want Thai clients, I still think the fact that we are a Thai company helps. The scenario where they buy Thai companies and work behind the scene is a separated case. So far as we are concerned, once the FTA is in effect, the major agents from all countries will begin to offer more comprehensive services. They can open restaurants, hotels and shopping centers here. Chinese, Korean and Japanese shops can open outlets here and bring the profits home. But the outlook is even gloomier for outbound business. If European companies establish presence here, they certainly can offer packages to Thai clients at lower prices than Thai companies because we have to go through major wholesale agents. We will be directly affected especially in the case where major agents set up offices here and hire Thai executives to run them. This surely will happen but we do not know which year exactly. To this end we try to put on a defense but the government thinks that it is exciting. Everything is set free without a supporting measure. China is not like this. They plan ten years ahead and stipulate local laws as a defense before agreeing on an FTA with any country. Yes, you may get through at the level of central government but then you have to comply with these local laws as well. Thailand has nothing like that. Once approval is granted by the government, nothing is in the way. This is because we do not know how to prepare. Anyone who wants to run a business in China needs to be careful. You may profit a lot from your business but you cannot take that money back home. So in the end you have to invest more there. Some other countries are already employing this method.

Name : Choochart Tongkam

Position : Managing Director, Roongroj Tour Travel Center Co.,Ltd and Roongroj Transport Co.,Ltd

President of The Travel & Service Transportation Association (TSTA)

Vice President of Association of Domestic Travel

Experience : 20 Years

1. How are present circumstance of tourism industry in Thailand and what are strengths, weaknesses, opportunities, threats in this circumstance?

The Thai travel industry was particularly hard hit. Foreigners view the unrest in three southern provinces as a real issue and our political turmoil only made things worse. Our country has never been like this before. What we have right now is merely an interim government. Given the way things are, the travel industry is naturally the first to be affected because traveling is not among the four necessities of life. It is far below on the list of priority.

Strengths: We can say there is none, with the exception of travel agents which have been in business for a long time because they can benefit from their reputation and connections. You cannot survive without connections in this industry. A good number of agents are established each year. The number is particularly high this year compared to the previous years. Everybody tries to stay alive and quality is neglected in the process.

Weaknesses: Bad travel agents are like rotten apples. They turn off travelers and led them to think that it is better for them to travel on their own. Reservations can now be made in no time via the Internet. We destroy one another by not impressing travelers.

Opportunities: There are probably none. The completion of Suvarnabhumi Airport will be an opportunity all right. But nothing is for good. Tourism is not for good. Malaysia introduced their Disneyland shortly after Hong Kong launched theirs. But Malaysia believes in making things permanent. Their marketing campaigns are not seasonal. They tell us flat out what they will have in a year and they use travel agents to distribute information for them. Ours is just not like that. Tourism Authority in Thailand helped promote the industry when the economic was in recess. But it was just a façade. There were not many actual tourists.

Threats: The governments of other countries do not engage in travel business themselves. They help promote the industry but they do not get involved. The Thai government, on the contrary, tries to do everything. Even in this time of economic recession, when tourism has dropped by 80 percent, the government should try to keep travel agents alive but they go into the business themselves. Take BMTA as an example. Their duty is to provide transportation for passengers but now they organize tours themselves. State Railway in Thailand is not different. Now, that is the problem. They fail to realize what their roles are. They have no their image and People keep complaining in BMTA's case. And instead of giving their buses some rest on they take them out to shuttle tourists on holidays. Of course, they have the government's support on this.

2. What are factors which affect on tourism industry in Thailand in next year?

The political situation and the unrest in the south are worse than SARS and bird's flu because one can try to avoid the latter but not the former. I think next year is going to be particularly terrible for tourism. That is what I think. But I do not want people to feel that our business is not going well. It is only that it will be affected quite seriously.

3. How are trend of tourism industry in Thailand in the future and why do you think like that?

It is going to be rather difficult if a proper structure is lacking like this. If we let things go as it is, anyone can do anything. Every country has their own weaknesses. Ours is the lack of self-defense mechanism. Airlines drop their prices every time there is a major event, for example. This will lead consumers or travelers to think that "I do not have to go right now. Prices will fall even further because the economy is not in a good shape." We have to focus. We have to have an actual host. And everything will be fine. We have to come out and say, okay, this is what I am going to do in the next three years or in the next five years. We need to find that host. But what we have had were hosts who did not know anything about tourism.

4. How are present circumstances of E-Tourism of tourism industry in Thailand?

This is beginning to improve. We can no longer rely on publications because of the rising costs. We need to resort to electronic channels instead because they are dynamic, unlike publications which are bound to be thrown away. Electronic channel is the answer for everyone. We need to realize this, lower our costs, downsize and begin to do our PR work through electronic channels.

5. What is trend of E-Tourism on tourism industry in Thailand in next year?

I am more concerned about the political situation. We did not think the consequences would be this grave. Everyone seems to think that there will be no improvement but let's hope it will not be like that. I want the situation to improve because many businesses are tied to the travel industry –passenger buses and boats, for example. The hotels are also hopeful, with at least ten thousand more rooms to become available this year in Bangkok in anticipation of the launch of Suvarnabhumi Airport. But what if people do not come? This is unthinkable.

6. In your opinion, how are trend of E-tourism/Supplier impacts to entrepreneur, E-Tourism impacts to tourism industry in Thailand in the future and what will be the new entrance?

This depends on the ethics of each owner. If they are real pros, they will not try to do direct sales but through agents who are their salespeople. They do not need to hire salespeople. They only have to give travel agents some commissions. We are talking about real pros here. Then there are the unprofessional executives who favor direct sales to avoid paying commissions and dealing with travel agents. This is a misconception. Their counterparts in other countries do not think this way. But hotels in Thailand are usually like this if they do not belong to a chain. Those which belong to a chain do maintain their standard. They sell at no discount if you do not have a voucher. Now everyone has to go through travel agents. Is this tiresome for them? No, because they do not have to do any marketing. They do not assign agents to help them sell rooms. Rather, they wait for clients to come to them so they can collect money by themselves. Transactions such as these cannot go on for long. Each party only tries to reap the benefits for themselves.

Suppliers present a threat to travel agencies. Suppliers are affected by the political situations so they need to cut down on unnecessary expenses. Travel agencies are then removed as the middlepersons. Suppliers can do business with clients directly.

New entrance is the Internet because it not yet fully developed. If you advertise in newspapers and pay 20,000 Baht for a box, there is no way you can measure the response.

Name : Surasak Pholmafuang

Position : Managing Director, Zanda Convention & Fair Tour Co., Ltd.

Vice-president, Association of Domestic Travel

Experience : 25 Years

1. How are present circumstance of tourism industry in Thailand and what are strengths, weaknesses, opportunities, threats in this circumstance?

The issues affecting inbound tours are political situation, unrest in three southern provinces, global economic recession and oil prices. Domestically, the competition is very fierce while the profit is low because there are too many new travel agents on the scene.

Thailand is ready to welcome foreign tourists. They seriously want to visit Thailand. They know Thailand more than they do other Asian countries.

The Thai tourism industry is without a clear set of rules or ethical conducts. Then there is the problem of service standards. We need to fix things like tourist rip-offs.

To the global community Thailand is a considerably attractive country. Our unique arts and culture as well as constant tourism promotions are our highlights.

Currency fluctuation and domestic situations like unrest in the southern three provinces, global economic recession and oil prices.

2. What are factors which affect on tourism industry in Thailand in next year?

The launch of Suvarnabhumi Airport will have positive effects. More flights mean more tourists. But that is not exactly set in stone because the fees may be too high and the services may not be that smooth initially.

On the other hand, our politic situation is still kind of cloudy while our neighbours are honing their competitive edge. Vietnam, for example, is launching their new airport to accommodate more direct flights from other countries. Indochina countries are improving their tourism capabilities as well. We are losing our status as a gateway.

3. How are trend of tourism industry in Thailand in the future and why do you think like that?

We need changes on two fronts. First is the legislation. The government must establish regulations to address the loopholes under existing acts. Second is the tourism industry. Travel agents need to be small and smart companies. They must employ as many managerial technologies as possible while maintaining fixed costs.

4. How are present circumstances of E-Tourism of tourism industry in Thailand?

E-Tourism is becoming increasingly popular although it is limited to those who are in the know. As for inbound more Thai tourists are traveling abroad. Many companies are doing business online. Some go online only and some do it both ways. Outbound is growing, too, but not very quickly. Flight ticket sale is growing real fast. Clients like to buy directly because they can choose their seats instantly. This answers their needs without having to go through a middleperson.

Marketing. We can market to buyers from around the world. Accessible, and at low cost.

There is not only competition from Thai companies but also from travel agents in many other countries. What if they have good contacts? What if they employ better strategies? They can offer better prices even without having an office in Thailand. They are the invisible competitors. We can observe that people who buy domestic tours may not be buying from Thai agents but from those in other countries.

You can say more people know Thailand now. But it depends on other things as well. One thing is flights. There are not enough flights taking tourists to Thailand. A lot of tourists from former Russia want to come to Thailand but there are no direct flights to Thailand because the air lines are code sharing to save themselves from losses. Two or three airlines are combined as one so the flights are full. Many people who wish to come just cannot do so.

E-Tourism offers us new opportunities to promote and sell. But the success depends on other factors such as carriers as well. If we run good promotions and attract high demand but our national airlines fail to bring more people to Thailand, then we have a problem.

5. What is trend of E-Tourism on tourism industry in Thailand in next year?

It is likely that e-Tourism will grow next year. International transportation definitely will grow. The rise in number of tourists will be gradual, though.

6. In your opinion, how are trend of E-tourism/Supplier impacts to entrepreneur , E-Tourism impacts to tourism industry in Thailand in the future and what will be the new entrance?

The business model has changed. We have more indirect competitors. Even convenience stores can now sell flight tickets. Then there are external, influential factors which make it necessary for us to change the way we do business. Everyone must downsize in order to succeed.

We are affected by suppliers because they can reach the tourists directly without going through a middleperson. Hotels can do their own marketing and offer prices similar to those offered by travel agents. Airlines run their own campaigns through e-commerce channels at even cheaper prices. This is why the roles of travel agents and tour operators are made less significant.

For new entrance it must be the industrial sector. Large transnational companies are merging and their know-how and technology are being brought to Thailand. More investments are being made in other countries. All-Thai businesses are at a disadvantage. Our neighboring countries like Singapore are beginning to invest in Thailand already.

To sum it up, there will be positive and negative effects. The private sector should not be addressing these issues alone. The government needs to lend a hand as well. In the time when information is disseminated so quickly, rumors can quickly destroy the tourism industry. We do not have the capability to handle everything by ourselves. The government needs to help then we can go hand in hand.

E-Tourism is earning more and enjoys greater opportunities. But in fact it needs other things to support it as well.

BIOGRAPHY

MS. NONGNUCH SONGYU was born on 20th July 1981 in Loei, Thailand. She received a Bachelor's degree in the faculty of Business Administration major hotel and tourism management from the University of the Chamber of Commerce in 2003.

She got a Master Degree in the faculty of Business Administration major international Business in 2006. She works for N.S. Travel & Tours Co., Ltd. as tour guide from 2003 until now and she also works for Network Leadership Co., Ltd.