

CHAPTER 4: DATA ANALYSIS

Introduction

Whilst the previous chapter outlined and discussed the methodology employed in this research, this chapter presents its findings in response to the following research objectives:

1. To examine local negative factors affecting Phuket hotels.
2. To examine economic crisis as a global negative factor affecting Phuket hotels.
3. To investigate the critical success factors (CSFs) of crisis management implemented by Phuket hotels during an economic crisis.

Before discussing issues underpinning this research with interviewees, it remained essential for the interviewer to place interviewees in the context of their industry (Elsubbaugh, Fildes & Rose 2004); namely, within the Phuket's tourism industry. To achieve this, at the beginning of each interview interviewees were asked for a general opinion about the Phuket's tourism industry.

To begin with, respondents have agreed that Thailand has been affected by a number of crises on many levels: worldwide (economic crisis), regional (outbreak), and domestic (political crisis). Thailand, nevertheless, seems to bounce back very fast after crises. The country has a variety of destinations and tourism products, which makes Thailand very competitive.

Phuket is undoubtedly a vital tourism destination in Thailand. Phuket has a competitive advantage over other tourist destinations in Thailand by having a large number of direct flights from overseas, such as V Australia and Air Asia. Domestically, Phuket is served by major airlines, particularly Thai Air Asia, that has chosen Phuket as one of its domestic hubs. It should be pointed that although Thai Air Asia set a hub in Phuket, it only draws tourists to hotels in the Patong area where mostly small hotels are located. Hence Thai Air Asia's hub in Phuket is not a major benefit for luxury hotels.

Internationally, Phuket has always been compared with Bali. During the Bali bombing crisis, a number of tourists, primarily Australians, moved their holiday destination to Phuket due to safety concerns. However, Bali is now growing again, and Phuket is going down in terms of attractiveness. This is because the tourism authority in Bali is employing effective strategies to promote Bali as a destination. In fact, what Bali has done is similar to what Thailand did after the tsunami crisis.

Although Phuket is well known for its sand-sea-sun nature, a few respondents commented otherwise that Phuket's main attractions have always be the same with nothing new. One respondent pointed that *“the main product of Phuket is nature but has not been maintained very well. There are no new man-made products here. Our real entertainment that all international tourists can enjoy is very rare. For example, Phuket Fantasia is good but largely attracts Asians. European tourists, on the other hand, prefer culture which is authentic. We need to keep the originality. We can innovate but must keep originality.”*

Following the introduction to Phuket's tourism industry by respondents, this chapter will now move on analyze each research objective.

Local Negative Factors Affecting Phuket Hotels

Based on the interviews with respondents, the major local negative factors affecting Phuket hotels are: oversupply (Phuket's oversupplied hotel developments); the low season (Phuket's rainy season); and high cost for domestic tourists (Phuket's image as an expensive destination for Thai tourists). Details are shown in a table below.

Table 3: Frequency and percentage of respondents' opinions regarding local negative factors affecting Phuket hotels

#	Factors	Frequency*	Percentage
1	Oversupply	20	80
2	Low season	18	72
3	High cost for domestic tourists	16	64

*N = 25

Source: Developed for this research

Firstly, the main concern of tourism in Phuket is the over-development of hotels, especially in the low season, where there is a low tourist demand yet high competition among local hotels. One respondent has commented that *“Phuket has a total of 40,000 rooms (registered) plus 10,000 rooms which are not registered. More hotels are being built in Phuket. It is easy to build hotels in Thailand but in fact it is hard to get customers. Therefore hotel rooms in Phuket are over supplied and we need to discount to compete. Another example is a comparison with Singapore’s hotel industry. Singapore only has 20,000 hotel rooms with 8 million tourists, while Phuket has over 40,000 rooms with 6 million tourists. This is why the average room rate in Singapore is higher than Thailand.”*

Secondly, findings have shown that Phuket can be considered as a seasonal destination, particularly from May to October which is considered as the low season. Promoting Phuket hotels during the low season is therefore a very challenging task for hotel executives. This is because tourists from overseas generally travel to Phuket for a sun-sea-sand tourism activities. During the low season however, the weather becomes rainy which limits the number of outdoor activities. *“Low seasons has (sic) low demand. It is very competitive in low season. So we need to come up with strategy as everybody competes for that market.”*

Although a majority of respondents believe that Phuket hotels have been negatively affected by Phuket’s seasonal nature, some respondents disagreed. *“We prefer to call it a ‘Green Season’ rather than ‘Low season’ whereby our customers can still enjoy a variety of activities such as visiting the tropical forests. The advantage is that the tourist attractions in Phuket will be less crowded, and the hotel rooms will be cheaper than normal season too.”*

Thirdly, Thai tourists perceive Phuket as an expensive destination, despite the fact that Phuket is largely considered as an affordable holiday by foreigners. This is mainly because Phuket is located far from Bangkok, which is Thailand’s major tourist-generating province, whereby air travel is necessary for the majority of tourists from Bangkok who wish to spend a holiday in Phuket. However air travel can be expensive, as respondents have stated that *“Why would Bangkok tourists want to travel to Phuket? They can travel to Singapore or Bali with nearly the same price. Local transport in Phuket is not cheap either. Alternatively they can go to Hua Hin which offers more value-for-money products than Bangkok.”*

Economic Crisis as a Global Negative Factor Affecting Phuket Hotels

This research has found that the economic crisis, as a global negative factor, has affected Phuket hotels in the following ways: reduced travel budgets (reduced travel budgets for Phuket's major overseas tourist markets); short haul travel (overseas tourists choosing short-haul holiday destinations closer to home); shortened stay (shorter stays for Phuket's tourists); and value-for-money travel (higher demand for 'value-for-money' travel for tourists visiting Phuket). Details are shown in a table below.

Table 4: Frequency and percentage of respondents' opinions regarding economic crisis as a global negative factor affecting Phuket hotels

#	Effects	Frequency*	Percentage
1	Reduced travel budget	24	96
2	Short haul travel	21	84
3	Shortened stay	17	68
4	Value-for-money travel	16	64

*N = 25

Source: Developed for this research

Firstly, an economic crisis is a global crisis which affects tourist-generating countries. There is a price issue as people tend to avoid travel in order to save money. Traveling is not as important as the basic needs in people's lives such as food and accommodation, and therefore travel spending is one of the first expenses to be reduced by those who have been affected by an economic crisis. A weakened Euro currency is a clear example that has resulted in the decrease of long haul scheduled flights from Europe.

Having said that, some respondents confirmed that an economic crisis has an impact on the tourism industry in Phuket, yet they believe that the impact is not high. *“During an economic crisis, people do not stop travel (sic), but are more budget conscious. Yes, this crisis makes people hesitate to spend on travels. However if they have money, they will come regardless of financial crisis. I think people will travel, especially those in the middle class to upper class. They will come to Phuket.”*

Secondly, those that have been affected financially, but can afford to travel, may be more budget-cautious with their spending and spend less accordingly. This has resulted in

more short-haul travel, and this is primarily why the long haul market has not bounced back from the economic crisis. *“World travelers are all experiencing an economic crisis. Fortunately, Asia has not been affected much and therefore Asian tourists still travel regionally within 4-5 hours (sic) flights. However we do have problems with the economic crisis-affected tourist markets. What happen (sic) with those markets is that they can go somewhere else. Therefore, other destinations near the tourist-generating countries are having a competitive advantage as Phuket’s potential overseas tourists are choosing short-haul holiday destinations closer to home. That costs us.”*

Thirdly, respondents have also pointed that the airfare is not the only expensive part of the holiday as there are cheap flight alternatives. In fact, hotel stay is another costly expenditure as tourists will be charged per night plus tax. This is why a number of tourists who have a tight budget are shortening their duration of stay in order to reduce costs. *“Even if they (tourists) have money, they shorten their stay. Less people are making booking (sic). And the average price they book is consequently decreased.”*

Fourthly, it should also be considered that Phuket’s competitors, primarily beach destinations, have also been affected by the economic crisis. At this point, respondents highlighted that Phuket has a competitive advantage over other destinations by having a variety of value-for-money tourism products. *“Even though people often say that Thailand is becoming more expensive, Thailand is still the highest value you can get. So when you have a product like Phuket, people know that you get a diverse range of products with high levels of service. The Maldives, for example, only focus on certain markets such as luxury honeymooners. Therefore Phuket always bounces back faster than its competitors, as it has a competitive advantage that other destinations do not have.”*

Critical Success Factors (CSFs) of Economic Crisis Management

This section will discuss the following themes related to the critical success factors (CSFs) of economic crisis management. Using a content analysis approach, similar individual CSFs are grouped together into five collective sets of CSFs, as shown in a table below. It should be noted however that the frequency below derives from the number of interviewees who discussed such CSFs, and not from how many times that particular word was mentioned.

Table 5: Frequency and percentage respondents' opinions regarding CSFs

#	Factors	Frequency*	Percentage
1	Crisis Management Plan	23	92
2	Crisis Market Segmentation	21	84
3	Crisis Marketing Promotion	20	80
4	Crisis Collaboration	17	68
5	Crisis Personnel Management	13	52

*N = 25

Source: Developed for this research

CSF1: Crisis Management Plan

Respondents agreed that a crisis management plan should be in place to ensure that a hotel retains its business. Although business may be lost, it is crucial for a hotel to keep existing businesses or clients. *“It makes a lot of difference on how you react to crises, both potential and actual crises. A good crisis management plan could be a great success or failure. It is vital that our crisis management plan has to be well thought through as crises change all the time.”*

A crisis management plan should address how a hotel communicates with stakeholders. Risks should be identified using ‘What If’ scenarios. Risk can be mitigated in the beginning with good planning to estimate how an organization is going to be affected by the risks. Doing so effectively would help minimize the impact from an economic, or other, crisis.

A crisis management plan for large hotels is likely to be more systematic than for a small one because of the existence of crisis management guidelines from their headquarters. However, such guidelines may be basic and general. Such a plan might need to be adapted to the situation, location, and market. One respondent emphasized that different organizations would require different plans. *“We need to be flexible. Each (hotel) property needs to do their homework because each hotel is different. The main guideline is given to us and then we need to adapt it.”*

A respondent also pointed that an economic crisis is different from other crisis types, and therefore a crisis management plan or guideline developed for an economic crisis is highly recommended. *“Our plan has to be tailored to the call, logical and valid reasoning. For an economic crisis, we need to understand that people are having leaner pockets. For a*

political crisis, we need to distance ourselves from a protest-affected destination. For outbreaks, we need to show that we have a quarantine system and medical preparedness”

A few respondents believe that hotels cannot plan for, and be proactive to, an economic crisis. *“There are certain crises that you can prepare for such as fire or tsunami because you know more or less what will happen and what can be done. For a large scale crisis like an economic crisis, you can have a plan but you can only follow a plan to a certain extent. There is not much you can do. In fact, things never go according to plan. Therefore sometimes we do not have a plan for different scenarios. We make a plan as it happens.”*

A small group of respondents, mainly those working in non-chain hotels, prefer not to have a crisis management plan. For them, it is highly perceived that commonsense would drive the decisions during a crisis situation and therefore a plan is not necessary. One respondent stated that *“We know all along that what we do is right and we would not think twice. If it is for the right reason, we would do it. Management decisions are well thought out. It is about believing in what we do.”*

It is evident, however, that hotels with a crisis management plan in place tend to cope with an economic crisis better than those who do not have a plan. Those with a crisis management plan also reported to be more cautious, alert, and ready should an economic crisis occur. *“We have procedures and role play. We know what to do now as we have learned a lot from crises. When it comes to a crisis, we need to ask ourselves what we can do for our hotel. We need to sacrifice and understand our hotel. We need to be confident that we can manage the hotel with fewer staff during a crisis. We need to be more active with marketing. We need to respond faster. We need to stimulate the market during the short and long term. We change the way we manage our hotel.”*

One of the most important parts of a crisis management plan is a crisis marketing strategy. Details are discussed below.

Crisis Marketing Strategy

In order for hotels to come up with effective marketing strategies during an economic crisis, a crucial point to keep in mind is the crisis duration. In general, tourists tend to plan

and book their travel long in advance in order to obtain a special rate. While it is likely that tourists may cancel their trips during a political crisis or natural disaster, it is unlikely for them to cancel trips due to an economic crisis as most of their travel expenses have already been paid in advance. Moreover, an economic crisis generally does not involve a safety concern, unlike other types of crisis which may have health-risks. Clearly, there is no major reason why tourists would cancel their pre-booked holidays in Phuket.

Attracting new tourists during an economic crisis, however, poses serious challenges to hotels in Phuket. *“For an economic crisis, the critical success factor is marketing. Marketing would keep us on the top of the list, and to remind people that we are here. We need to keep getting as much business as we can even though the business is down.”*

Some respondents strongly believe that an economic crisis is the right time for hotels to spend their marketing budget since a majority of the industry, particularly short-sighted organizations, will consider cutting their marketing budgets as soon as a crisis occurs. *“During an economic crisis, a lot of hotels try to save cost but instead we increase our marketing budget trying to get as many as tourists as we can. If my (hotel) occupancy is good (during non-crisis situations), we do not need to advertise, right? Hence an economic crisis is the right time to advertise. You can gain more potential than your competitors because they will be saving their budget. I think it is a good strategy for us.”*

CSF2: Crisis Market Segmentation

During an economic crisis situation, hotels need to identify possible revenue streams for the period of economic crisis by using marketing strategies. To begin with, a large number of respondents emphasized that hotels must choose the right mix of market segmentation. Although Phuket has successfully attracted a number of tourists from both overseas and domestic markets, it is challenging for Phuket to attract tourists during an economic crisis. The characteristics of each market are explained below.

Overseas Markets

In normal situations, it is ideal that Phuket attracts high-spending tourists, sometimes known as high-quality tourists. During an economic crisis however, it is vital for hotels in Phuket to focus on markets that have not been affected. There is little benefit trying to compete for high-spending markets when there are low levels of demand, such as those carrying the weak Euro currency.

Since crisis-affected tourists have become difficult to target, hotels in Phuket have directed their marketing efforts to emerging markets instead. *“We develop neighbor markets because they have not been affected much and to travel here is cheaper for them. We target emerging markets. Thanks to V Australia, more Australians can now afford to come to Phuket. There is no point competing for the affected market, so we widen our market. We used to focus on one market, but now we focus on several markets. We spread out, so if the market goes down, we focus on another one.”*

Some respondents pointed out that Phuket is a seasonal destination and therefore Phuket hotels would need to match the right market with the right season. *“During an economic crisis, our strategy is to focus somewhere else. A crisis does not affect every market. We are looking more at Asians. This market is appropriate for crises, but markets bounce back fast. And let’s not forget that Phuket is a seasonal destination. During low season, we attract Chinese and Korean tourists. Australians also come to Phuket during the low season as it is winter in Australia at that period of time. After October we move to the Russian and Scandinavian tourists. Pattaya used to be a prime destination for both markets. However the trend has changed and Phuket is now very appealing to them.”*

The Domestic Market

Like the overseas market, the domestic market is crucial to the Phuket’s tourism industry as a respondent stated *“One of the markets everyone tries to get is the domestic market. We need to have an immediate response as regional and domestic markets have less lead time for holiday planning. The domestic market is not sensitive to the rainy season as much as the overseas market. This is because tourists travel for different reasons. For*

instance, European tourists generally come for the beach and a warm climate, whilst many Thai tourists come for sightseeing.”

Whilst Phuket is considered as an affordable holiday destination by foreigners, Thai people perceive Phuket as a rather expensive destination. In fact, Phuket is largely considered by many Thais as a destination for tourists from overseas. Although hotels in Phuket have tried to attract domestic tourists, they have not been able to gain sufficient volume. *“95% of our business comes from Europe, whereas the domestic market is less than 5%. So we tried to develop the domestic market when some Europe markets have been affected by the economic crisis. It helps us to certain extent but not so much.”*

Tourists from Bangkok also considered Phuket to be located quite far from Bangkok, and therefore prefer Hua Hin because of the relatively short distance from Bangkok. A respondent at a hotel chain with properties in different locations in Thailand stated that *“During an economic crisis, our (hotel) property in Hua Hin would target Bangkok tourists, whereas our Phuket property would target overseas tourists.”*

Although some Bangkok tourists can afford Phuket products, they may decide to go to nearby overseas destinations such as Singapore or Hong Kong instead as the airfare is nearly the same as a flight to Phuket. On this matter, respondents complained that local airlines in Thailand must contribute more to help promoting Phuket to the domestic market. Moreover, Phuket does not have a tourist-friendly public transportation system like other leading destinations such as Singapore and Hong Kong. Hence, a car rental fee in Phuket can be expensive to a domestic tourist, and this is yet another reason that steers Thai tourists to overseas destinations instead.

Even if Phuket can successfully attract domestic tourists, they are likely to spend less than overseas tourists and also tend to stay at low-medium level hotel accommodation. Therefore, medium-high level hotels in Phuket would need to work harder to attract domestic tourists who could afford their products.

Clearly, attracting both overseas and domestic tourists to Phuket during an economic crisis appears to be a challenging operation. To overcome this challenge, respondents suggested that different marketing strategies should be considered. Such strategies are discussed below.

CSF3: Crisis Marketing Promotion

In general, tourists are cost conscious during an economic crisis. A simple question such as *“I have 4,000 Euro for my family holiday. Where should I go?”* has been commonly raised by tourists who would like to make the most of their limited travel budget. Hence a marketing promotion offered by hotels needs to explain the possibilities of having an affordable quality holiday.

Findings from this research have shown that there are largely two approaches of doing so, either by discounting or by adding value to the tourism products. Both marketing promotion approaches are discussed below.

Discounting

For a large number of hotels, the most important thing during an economic crisis is to generate cash, regardless of the room rates, as a respondent stated that *“I have been working in the luxury hotel market. If the economy is good, people can afford your product. If the economy is bad, people can't afford it. So you need to compromise on your rate. Therefore 5 star hotels are selling at the room rate of 4 stars to capture more of the market. It is all about pricing.”*

Another respondent added that hotels should set the price based on customer demand: *“Our hotel was built with one word in mind which is ‘affordable luxury’. We thought for the long term that everyone would look for luxury. And in order to reach large clients, we make our products affordable. We never believe in setting the price according to the product. We set the price according to the demand. We do not feel bad about it, and we are quite happy if guests can afford our products.”*

It should be pointed out however, that discounting rates has a number of downfalls. Firstly, discounted rates can be perceived as a reduced level of service. In many cases, customers will not be satisfied if the quality of service does not match their expectation of the hotel. In some cases, disappointed customers will never return to the hotel. Secondly, it can take a long period of time for the hotel to reach normal room rates once the rate has been discounted. In turn, hotels need to have a rate-based crisis management strategy which

identifies different rates over different periods of time from the economic crisis period to post-crisis period.

Thirdly, discounting rate means that the hotel may be attracting tourists who are very cautious with their spending, which are not the hotel's preferred target market. *"If you drop the price so much, guests will come to your hotel but they will go to 7-11 for dinner, and not spend at your hotel restaurants. Therefore, the key to attracting tourists during an economic crisis is not to discount, but instead to demonstrate that hotel guests will get more products and services than the value of the money spent."*

Adding Value

An alternative to discounting rate is adding value to the tourism products, which appears to be a superior approach for attracting customers during an economic crisis. There are a number ways to add value to the product including, but not limited to, the following: hotel room upgrade, stay 3 pay 2 (3 nights stay for the price of 2 nights), privilege program for returning guests, complimentary airport transfer, complimentary spa, and so on.

One of many respondents who highly support the strategy of adding product value stated *"We do not lower the rate even though the Euro currency has dropped. Instead, we look ahead a few months to when the economy bounces back, unless another crisis happens. We add value to our program only for a short period of time, as otherwise it would dilute the value of our products. We inform our customers that the value-added products have a validity of a certain period of time, and convince them that the right time to travel is now."*

Respondents have suggested that necessary products, such as meals, should not be included in the value-added package as the customers need to spend on those products anyway. In addition, every hotel prefers that their guests spend on meals at the hotel's restaurants as much as possible.

In short, adding value to tourism products is crucial during an economic crisis in order to stimulate customer spending. Respondents have explained, however, that adding value is in fact part of the hotel's marketing expenditure: *"Our strategy may increase our costs, but it*

increases our revenue by stimulating customers to spend, so sometimes we need to spend more to get a bit more.”

In order for Phuket hotels to maximize product value from a limited marketing budget, an effective collaboration with suppliers is needed. This issue is illustrated below.

CSF4: Crisis Collaboration

Respondents have agreed that a common problem during an economic crisis happens when hotels heavily compete with one another using discounting strategies. As discussed earlier in this chapter, a heavy discount can dilute the product value which is associated with a reduced level of service. Therefore, a better alternative for hotels is to work hand-in-hand with suppliers. This will allow them to come up with economies of scale which would lower the total product cost. A respondent stated that *“We need to talk to suppliers such as tour operators to get a special price. We need to manage a rate to come up with the best option based on what our customers demand.”*

Partnering with airlines is also a win-win situation for both hotels and airlines. *“We can’t work in isolation and need to work with our partner, and the airline is very important as they bring in customers to Phuket. So our partners and our company will have to head in the same direction in order to get through an economic crisis together. Unfortunately, Thai Airways has been inflexible in supporting us. Hence, a lot of my hotel colleagues are searching for a partnership with other airlines. We are now partnering with Air Asia by combining a package of flight and hotel. Collaboration with partners is absolutely vital to the success of strategy.”*

Respondents also added *“You need to come up with a collective package. A luxury hotel will not be able to compete against middle-level hotels as each hotel has its own market. You need to first identify the problem. Think as a team, not as an individual. Be friends with your competitors. You need to work hand in hand with suppliers; do not fight internally within the industry; and always communicate with each stakeholder. Without an initiative from the Tourism Authority of Thailand (TAT), industry collaboration will not be possible.”*

Nonetheless, the TAT has largely been criticized that it has not done enough to support industry partnership during an economic crisis situation. *“TAT should create a team consisting of travel agents, hotels, etc, then set a policy, and plan what to do. Everybody can’t do the same by discounting because the only people that benefit are middleman. We need to collaborate in order to communicate in a professional way as we can’t afford to confuse the stakeholders.”*

In conclusion, respondents have pointed that *“We are on the same boat with the whole industry when a crisis happens. No one is getting anything from anywhere. So the industry needs to work together. Sometimes we give up our share a bit, but it benefits the whole industry”*. Without a doubt, collaboration among the tourism industry is critical during an economic crisis.

CSF5: Crisis Personnel Management

Respondents have to be cautious with fixed and variable costs during an economic crisis in which generating revenue becomes difficult. It should be pointed out that the hotel’s biggest costs are overhead costs. At the same time, employees are the most valuable asset. Therefore, it is important to have a personnel management plan that can be implemented and adapted during an economic crisis.

Employing casual staff has proved to be helpful during an economic crisis. *“We are more cautious, and flexible. We try to have to have a leaner work force. We work more with casual staff so that we don’t have to hire them during the low season. This is because Phuket is seasonal, and you need staffs during high seasons.”*

For hotels with a large number of employees, reducing labor cost would appear to be challenging. This means hotels need to have regular, open, and honest communication with employees to inform them about an organization’s performance. The most important thing is that the leader explains clearly why the decision has been made, and how it would help an organization. *“What we did was telling staff that there are times when things are not going as well as planned, and that staff needs to help the hotel. So we ask them to take 4 days of leave without pay per month...we have low occupancy anyway. This applies to all level of staff, and they understand if it’s clearly communicated.”*

In regards to internal communication, another respondent added that *“We communicate with our staff during a ‘town hall’ meeting each month which is a direct communication. I have staff in front of me, so there is no room to misinterpret my message. I never delegate my staff to tell other staff. That always works for me. And as soon as things go better, you need to pay back your staff. You need to be fair to your staff, and it works. This approach earns me loyalty among my staff. Of course staff may sometime disagree, but they are not part of the decision making. It is up to the managers to decide. 20 managers make decisions for 300 people.”*

Furthermore, hotels must carefully select human resource management options when attempting to lower labor cost. During low occupancy, there are a number of human resource management options. Firstly, there is paid leave, and also leave-without-pay. For large hotels with branches in different locations, staff can be transferred to a location that has not been affected by an economic crisis.

Data Confirmation

In order to ensure the validity of research findings, the researcher has conducted a data confirmation process. This has been achieved through online surveys where key findings were fed back to a panel of 10 tourism experts including senior hotel executives, senior tourism consultants, tourism academics, and senior executive at the Tourism Authority of Thailand (TAT). Data have been collected from 28th November to 2nd December 2011. All 10 surveys have been completed and presented below.

Local Negative Factors

Based on the in-depth interviews, this research has found that the following local factors have negative influences on Phuket hotels: oversupply, low season, and high cost for domestic tourists. In order to confirm such findings, this research has employed five-point Likert scales in order to obtain expert opinions through online surveys. Details are shown below.

Table 6: Local negative factors: Oversupply

How has Phuket's hotel industry been affected by an oversupply situation?	Response Percent	Response Count
Strongly positively affected	0%	0
Positively affected	10%	1
Not affected	10%	1
Negatively affected	50%	5
Strongly negatively affected	30%	3
Total	100%	10

Source: Developed for this research

Table 7: Local negative factors: Low season

How has Phuket's hotel industry been affected by Phuket's low season?	Response Percent	Response Count
Strongly positively affected	10%	1
Positively affected	0%	0
Not affected	20%	2
Negatively affected	50%	5
Strongly negatively affected	20%	2
Total	100%	10

Source: Developed for this research

Table 8: Local negative factors: High cost for domestic tourists

How has Phuket's hotel industry been affected by Phuket's image as an expensive destination for Thai tourists?	Response Percent	Response Count
Strongly positively affected	10%	1
Positively affected	10%	1
Not affected	10%	1
Negatively affected	40%	4
Strongly negatively affected	30%	3
Total	100%	10

Source: Developed for this research

The survey results has illustrated that over 70% of the tourism experts agreed that oversupply, low season, and high cost for domestic tourists are factors that have negative effects on Phuket hotels.

Impact from the Economic Crisis

Reduced travel budget, short haul travel, shortened stay, and value-for-money travel are identified from the in-depth interviews as the four major changes of travel pattern caused by the economic crisis. Such findings have been confirmed by tourism experts as follows.

Table 9: Impact from the economic crisis: Reduced travel budgets

The economic crisis has resulted in reduced travel budgets for Phuket's major overseas tourist markets.	Response Percent	Response Count
Strongly disagree	0%	0
Disagree	0%	0
Cannot comment	20%	2
Agree	30%	3
Strongly agree	50%	5
Total	100%	10

Source: Developed for this research

Table 10: Impact from the economic crisis: Short haul travel

Phuket's hotel industry has been affected by overseas tourists choosing short-haul holiday destinations closer to home.	Response Percent	Response Count
Strongly disagree	0%	0
Disagree	10%	1
Cannot comment	10%	1
Agree	60%	6
Strongly agree	20%	2
Total	100%	10

Source: Developed for this research

Table 11: Impact from the economic crisis: Shorten stay

The economic crisis has resulted in shorter stays for Phuket's tourists.	Response Percent	Response Count
Strongly disagree	0%	0
Disagree	20%	2
Cannot comment	20%	2
Agree	40%	4
Strongly agree	20%	2
Total	100%	10

Source: Developed for this research

Table 12: Impact from the economic crisis: Value-for-money travel

The economic crisis has resulted in higher demand for 'value-for-money' travel for tourists visiting Phuket.	Response Percent	Response Count
Strongly disagree	0%	0
Disagree	0%	0
Cannot comment	0%	0
Agree	50%	5
Strongly agree	50%	5
Total	100%	10

Source: Developed for this research

The survey results have illustrated that tourism experts agreed that reduced travel budget (80%), short haul travel (80%), shortened stay (60%), and value-for-money travel (100%) are the four major changes of travel pattern caused by the economic crisis.

Critical Success Factors (CSFs) of Crisis Management

Through the online surveys, tourism experts have confirmed that the following factors are very important for the success of crisis management during the economic crisis: crisis management plan (80%), crisis market segmentation (80%), crisis marketing promotion (80%), crisis collaboration (60%), and crisis personnel management (70%). Details are shown below.

Table 13: Critical Success Factors (CSFs) of crisis management

Please rate the importance of the following success factors of crisis management during an economic crisis.					
	Not at all important	Not very important	Somewhat important	Very important	Extremely important
Crisis management plan (Having crisis management plan)	0% (0)	0% (0)	20% (2)	30% (3)	50% (5)
Crisis market segmentation (Segmenting tourist markets)	0% (0)	0% (0)	20% (2)	50% (5)	30% (3)
Crisis marketing promotion (Promoting tourism products)	0% (0)	0% (0)	20% (2)	50% (5)	30% (3)
Crisis collaboration (Collaborating with tourism stakeholders)	0% (0)	0% (0)	40% (4)	50% (5)	10% (1)
Crisis personnel management (Managing personnel)	0% (0)	0% (0)	30% (3)	50% (5)	20% (2)

Source: Developed for this research

Summary

The value of findings presented in this chapter lies primarily in crisis management issues, particularly in the economic crisis situation in Phuket which interviewees raised and discussed. In turn, this chapter has adapted content analysis approaches to address issues found from the interviews. At this stage, this research can now consider relationships between the findings presented in this chapter and the relevant literatures. These relationships remain the main aim and objective of the final chapter.