CHAPTER 2

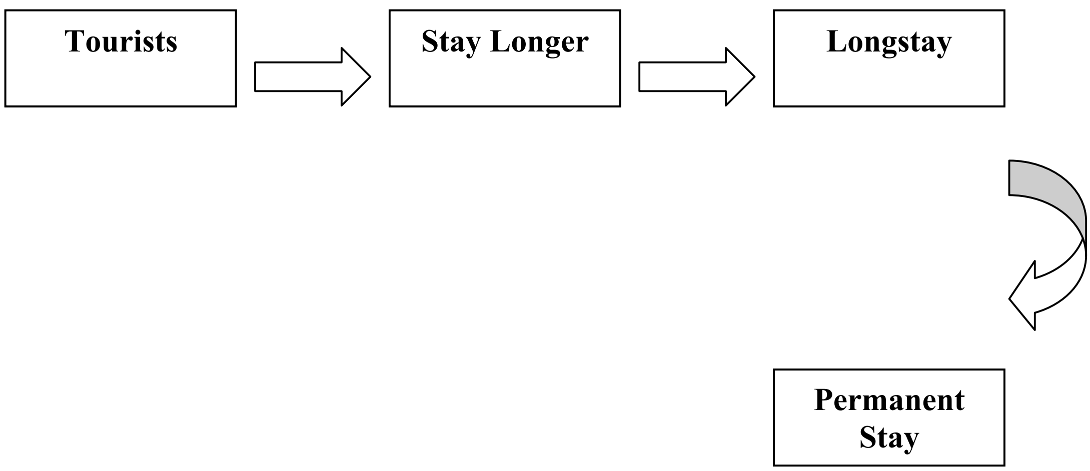
LITERATURE REVIEW

2.1 Market's Characteristic

Longstay tourism: The longstay tourism happened for many years ago. People from developed countries that have a high income would travel in their own countries or aboard for their pleasure. They take more time for staying. The Longstay Tourism has some unique requirement that different from general tourism. When the general tourists have a good pleasure with their first visiting, they will come back to visit again to stay longer. If they impress, the will come back and be the longstay tourists. (Chantarasuwan, 2003)

- First Step: Tourist
- Second Step: Stay Longer
- Third Step: Longstay
- Forth Step: Permanent Stay

Figure 2.1 Longstay Model



Source of Data: *Longstay Model, Faculty of Commerce and Accountancy, Thammasat University, Bangkok, Thailand, 2002*

1. **Tourists**: Tourists always spend the time for their pleasure between 7-10 days and operate the tour programmes by tour operator. The main objective is only for leisure.
2. **Stay Longer**: This group is normally used to be the tourists. They are very impress with that destination and are back to become the stay longer. They would spend longer, 2-3 weeks. They may arrange their tour programmes by themselves or by tour operator. Because this kind of tourists spend their leisure time longer, therefore the tour operator may provide more interesting package tour or Package Holiday Add-Ons for getting new experiences.

   The Package Holiday Add-Ons may include:

   - Thai Cooking Class
   - Flower Decorating Class
   - Studying Ancient Siamese Heritage Sites
   - Exploring the flora and fauna in National Parks
   - Rural Area Tour Adventure
   - Undertaking a meditation Course
   - Health Treatment in Spa
   - Etc.
3. **Longstay**: After become the stay longer, if the tourists are very impress with that destination, they will come back again and be the longstayers. This time they may spend at least 1 month to 6 months. The characteristic of this group will change because they will arrange the tour programmes by themselves. They always arrange and make their own decision in terms of their accommodation, meals, local transport, etc.
4. **Permanent Stay**: If the tourists are very impress with their stay, they will become permanent stay. They may spend one year at their place. However during their stay, they may be back to their home country or travel to any other countries. The characteristic of this group is the same as Longstay because they will arrange the tour programmes by themselves.

There was a previous research of Tourism Authority of Thailand (TAT, 2000), which summarized longstay tourists include:

1. **Retirees** from various countries with particular emphasis on the Japanese market; the European market such as British, German, Dutch, and Scandinavian; the overseas Chinese market and those from the rest of the world.
2. **Snowbirds**, those who will come from cold countries during their winter season. These people have already come to Thailand to enjoy seaside activities, rural/mountain hill-tribe life and to enjoy exciting and adventurous experiences for two to three weeks. Some are using Thailand as a hub to travel to nearby countries such as Myanmar, Laos and Cambodia (Indochina).

   The first international mass tourism market was based on the 'summer sun' holiday, where Northern Europeans travelled to other warmer places in the summer to get a suntan. One of the latest major growth markets in the USA and northern Europe is also inspired by climatic motivators. This phenomena has two interrelated characteristics, namely:

   - The trips are of long duration, from between four weeks and four months.
   - They are normally taken by retired people who have the time to take such a long vacation.

   The motivations of older people to take such trips are not so much related to the desire to get a tan but rather by a wish to:

   - Escape the cold weather in their own country.
   - Reduce their expenditure on heating at home.
   - Improve their health given that they may suffer from illness like arthritis, which maybe exacerbated by the damp, cold weather in their home country.
   - Make new friends and have a less lonely life than they might in their own community.

3. **Students and Trainees** (educational tourists) from overseas are in this group. Thailand has some economic advantages that many international schools choose to operate their affiliations or branches to teach foreign students in various subjects. Students may not be big spenders but their presence would generate other income for the country.

   There has been a massive growth in the broad field of educational tourism in recent years. This has been fuelled by both the growth in higher and further education worldwide and the desire of many older tourists to learn something new during their annual vacation.

   Educational tourism today has a number of dimensions including:

   - Student exchanges between universities where students may travel for periods ranging from two or three months to a year.
   - Young people attending language classes in a foreign country, which can last from a week to several months. Part of these courses maybe trips to see local attractions and students may well live with local families for the duration of their course.
   - Themed holidays where tourists travel with like-minded people to pursue a common interest which could be archaeology, a foreign culture, painting or cooking (Swarbrooke & Horner, 1999).

4. **The Fourth group is for those who attend sports training camps**. Many sport-training associations have come to Thailand and brought along their coaches and athletes to conduct their programmes at different sites around the country (*www.tat.or.th*)

2.2 Marketing Strategies

2.2.1 Market Trend

Marketing plan of Tourism Authority of Thailand (TAT, 2003) forecast that the most important factors that will affect the longstay tourism during the coming years are combined with the changes in people's life style. The traditional relations and loyalty towards family, school, home regions and religion is decreasing, which also means that countries, regions and destinations gradually will loose some of its strong position in comparison with regular visitors.

Product, quality and relation between price and performance will have a bigger meaning. This will mean a more focused direction towards the customer, with a higher goal on marketing towards specific segments in the market.

Tourism and travelling will be an increasing extent competes with people's consumption of other products and services, within the frame of the access of existing free time or total time.

The amount of travels per traveller is increasing, while the travel time (day per trip) is changing in the opposite direction.

People's outlay for tourism and travelling is increasing faster than the consumption of other products and services. During the same time brings the extension of leisure and activities such as sport constructions, centre for experience, cultural activities and events in the close environment an increasing competition for people's time (and money), specially during a low business cycle.

The intercontinental travels are increasing faster than travels within Europe and the travels within Europe are increasing faster than domestic travels.

There is an increasing demand for new, un-explored or unique destinations and an increasing demand to visit several destinations during one trip. The increasing interest for (un-destroyed) nature and environment is increasing the travels to smaller (well known) regions, Regions or areas with a wide range of activities or arrangements will also occur in an increasing interest.

The interest for sun travels during the winter; cultural travels and cruises are increasing faster than the winter sport travels. To include activities in the travel becomes more important summer as well as winter and senior citizen are travelling in an increasing extent during low season (winter). Also the need of safety and security are increasing.

There is a big need of travels connected to culture; education/history, sport and activity as well as health during the same time an increasing need of relaxation and rest. Quality, origin and variety are important central concepts when the customers choose the destination.

Events are becoming a more important part of the travel and the travels where combine the travel with work and hobby are also increasing. Adventure, fantasy, luxury and pleasure combined with a feeling of exclusivity become more important for the travellers.

Increasing Segments

- Senior citizen, with fixed income, a lot of time and travel experience.
- Business travellers, for the segment trade fairs, congress and conference, incentive travel and activities where the business travel is combined with leisure activities.
- City breaks (short city travels), for sport, culture and events
- Sun travels during the winter
- Day travels within immediate surrounding
- Adventure travels, to distant or exotic places, often to destinations outside Europe. If the arrangements are secure and comfortable this segment will also occur in the interest for senior citizen.
- Group travels for businesses, organizations and clubs
- Travels back to the nature – nature and environment
- An increasing demand for individually organised travels, more than group travels
- Group travels becomes more flexible and possible to adjust to individual desires.
- Tourist information on the internet is becoming a product by itself.

2.2.2 Product Analysis

Phuket's beaches remain the main product of choice of every market. The tourists want an active holiday. Scuba diving, canoeing, golfing and spa activities are the most physical alternatives to choose. Cooking classes, art & handicraft lesson, Thai language lesson, sunbathing, shopping and traditional sightseeing opportunities are other alternatives. As Phuket is offering such a choice of things to do besides the beach, that is the main advantage over most of the competitive destinations.

Most of the tour operators offer guided tours covering both cultural attractions and nature in combination with a beach stay. The market is still however more individual travel oriented, there can still be more done to promote the self-drive market.

Spa tourism is a growing trend. A big potential is in combination with other activities. Also to work closer with health clubs and organizations concentrating on yoga, meditation and well being.

Golf is still a definite growth area for Phuket. The market for winter golf tours is still somewhat restricted to those who have been to Spain, Portugal and USA several times and are ready for a change. The offering of package tours with a golf club, bringing members on a spring warm-up-training session is growing but needs more development. Many golfers still do not know what Phuket has to offer and it is not that much more expensive than going to Spain or Portugal.

The youth segment is a growth potential. There is a big potential, by working closer with youth organizations and travel agencies/tour operators concentrating on the group as well to promote the range of adventure, extreme sport activities offered in Phuket such as climbing, mountain bike, white water rafting, trekking, diving and jungle activities.

The longstay segment is also a growth potential. The middle age and senior citizen travellers a lot. They practise a lot of difference activities such as sailing, golf, ride motorbikes and drive the car.

2.2.3 Market Analysis

For the tour operator, an important long haul destination is still Thailand. The major tour operators as well as the smaller agencies have Thailand in their program. The interest for Thailand is changing from only being interesting during the winter season to lowly moving over to the “Green season”. The amount of travellers during the green season not big but there is a growth potential. A perfect opportunity is the youth and adventure group as there is water in the waterfalls and white water rafting is more exciting, the large ranger of adventure activities offered.

TAT tries to develop and promote more years around business, it is necessary that they do year around promotions and activities. To grow the business to Thailand still it will take special efforts to convince both the trade and the public that Thailand is an alternative during the green season.

The best time to approach the trade segment is most of the year apart from the general summer holiday middle of June until the middle of August as well as over Christmas and New Year.

The best time to approach the consumer is during the vacation periods when they have time to relax and spend time with their families. That means that they have time to think and plan together with the family the up-coming vacations. Time period December (Christmas & New Year), April (Easter), summer the general summer holiday period (mid June-mid August).

2.2.4 Image/Position of Thailand as an International Tourist Destination

Thailand 's image/position on the market is still very strong which is reflected by receiving for the Grand Travel Award as the "The dream destination of the year", "The destination abroad", "The trip of the lifetime" and "Destination of the year abroad" In regards to the consumer, there is continued strong positive interest. Thailand is still the number one long haul destination for the charter industry.

On the negative side is the fact that the opportunity of Phuket with charter tourists still makes some people think of Thailand as being an over crowded mass tourism destination. There are still those who associate Thailand with sex tourism. The increased number of arrivals under 15 years age and the growing number of women arrivals is more revealing that the Kingdom is becoming more of a family destination. The sex image will never go away as long as there are the open bars.

Also the diseases SARS has affected Thailand some way in a negative way, the media boosting the negative news about SARS and that Thailand have already have had some affected cases. Also the fact that the Kingdom is not too far from affected area is a big concern for many people especially the families.

2.2.5 Marketing Strategies

The strategy should be to present Phuket as a destination that gives visitors a choice. A choice of activities, food, beaches, golf, diving, adventure activities, health & spa, longstay, culture and many more as well as value for money. There are still a few other countries, which can offer the same variety as Phuket, there for it's even more important to present Phuket with the variety of life styles one chooses to follow.

Thailand is more than just "a land of smiles". The Kingdom can offer the difference choices all year around even during the green season. This country can even please all kinds of people everyone from the backpacker to the very high up-market due to the variety and value for money.

2.2.6 Competitor Analysis

Competitors	Products & Packages	Target Group
Bali	Exotic destination & surfing paradise	Honeymooners, couples & backpackers
Malaysia	Eco-tourism & exotic destination	Couples Nature interested
USA	Beaches, Car packages & adventure activities	Couples, Longstay & City travellers
Mexico	Beach, Ancient culture & friendly people	Honeymooners & couples
Spain	Beach & nature	Couples
Portugal	Fun destination	Couples, senior citizen
Italy	Beaches, Cruises & full board vacations	Couples & families
Australia	Adventure activities & experience	Experienced travellers Adventures
South Africa	Beaches, safari & golf	Families & couples

Source: *World Tourism Organization, 1995*

2.3 Tourist's behavior

2.3.1 The Study on the Japanese Group

There was a previous press release found in http://www.bee.co.th said that the Japanese group is the main target group of this working process.

This group will be penetrated with the marketing effort to attract their interest by offering Thailand as the destination for their retirement plan. Within the Japanese group, there are many other segments among them. One of these is the group of pensioners who receive more than US$ 1,750 per month from major industrial firms. Some have already shown their interest in collaborating with Thai partners to set up a special Japanese village with special Japanese management.

Japanese tour organizers and some voluntary associations were asked to conduct some surveys in order to know what Japanese though about living in Thailand, what their main concerns were, and how they weighted or choose the preferred programme. The results are as follow:

Factors effecting their decision to choose a country

1. Safety 40.2%
2. Natural Beauty 12.9%
3. Promptness 7.9%
4. Conducive Environment 7.6%

Questions often been asked when offering Thailand as a choice

1. Safety/Security 40%
2. Medical Services and Availability 14%
3. Language Barrier 14%
4. Cost and Expenses 11%
5. Local Attitude 10%
6. Others 11%

Others Favorable Factors

1. There are many Japanese friendly associations in Thailand such as Alumni associations, Thai-Japan Technology Promotion Association, Japanese associations in Thailand, medical science associations (Japanese Chapter), Japanese trade associations, chambers of commerce, etc.
2. Japanese is taught as an elective foreign language in the high school level.
3. Historically, Thai and Japanese relations have been on good terms.
4. There is a plenty of Japanese food and restaurants in various parts of the country.
5. There are Japanese secondary schools in Thailand.
6. Thailand is a culturally rich country.
7. There are plenty of meditation and Buddhist religious learning centres.
8. There are many amenities catering for Japanese tourists.

The needs of the Japanese

1. Assurance from the government that they will be treated fairly and the quality of services and facilities provided should be of an international standard.
2. Japanese firms or agents should be involved in the overall arrangements, so that their clients would feel more secure and reliable.
3. They prefer to stay with their own race.
4. As for their insurance coverage, accident and life insurance should cover medical expenses incurred in Thailand.
5. There should be more convenience in transmitting money to Thailand. This is because they encountered some problems with local banks mainly due to language and different working procedures.

TAT has set up another sub-committee to deal with the Japanese market directly. The chairperson of this subcommittee is the Deputy Secretary General of the BOI who served as the BOI representative in Japan for over ten years.

2.3.2 Longstay Behavior Patterns and Tourism

The purchase of tourism products by consumers is inherently linked to the economy. Many developed economies are reaching maturity in terms of the free time and personal income, which consumers spend on tourism. The number of people in the world that are able to engage in tourist activity grows as the economic situation of countries improves and become integrated into the international economic networks. Tourist activity is therefore growing in areas such as Asia, Latin America and Eastern Europe (WTO, 1995).

Very little research has been carried out to look at consumer behavior in tourism in relation to nationality. The only clear ink that has been established on a global basis is that as an individual's income rises, so their spending on tourism increases.

The leisure concept in Europe has been researched by Fitzpatrick Associates (Panama, 1993, quoted in INSEAD, 1996). This report proposed that there were common factors influencing longstayers' holiday decisions, and summarized these as being:

- Income, particularly the amount not already earmarked for other commitment
- Available free time
- Age and family status
- Price scales relating to destinations
- Attractiveness relative to other destinations
- Job sector
- Owners of second homes

They found that the proportion of Europeans taking a vacation or longstay trip abroad is around 26 per cent on average. Northern European holidaymakers are most likely to travel outside of their countries whereas Southern Europeans are more likely to stay at home. People are less likely to travel across borders when incomes are low. Second-home ownership is a very important factor. In Greece, Spain, Italy, the

Netherlands, Denmark and France, over 10 per cent of holidaymakers spend their holidays in their second homes, which relieve their spending on travel abroad.

There is a general decrease in European taking beach vacations and a rising interest in sporting and cultural vacations.

The report also found that Europeans who are over 55 are less likely to travel abroad compared to other age groups. This age group is currently being targeted with specifically designed holiday brands.

The World Tourism Organization (1995) has recognized that there will be a growing interest in people looking for specifically targeted tourism products linked to demographic factors (e.g. older persons, youth market).

It is also recognized that consumers from westernised industrialized markets are becoming increasingly interested in environmental issues linked to tourism destinations. This will lead to the development of endemic tourism, i.e. based on cultural and national features of destinations. It is also predicted that the tourist will become more sensitive to value for money issues when purchasing tourism products. This will lead the industry to make a number of strategic moves.

The Asian tourists will become a very important and growing part of the international tourism field. The Asian tourist has traditionally chosen city-based tourism as part of a tour. There has been a growth in beach-based Japanese segment, and it is probable that the 'adoption' of the beach resort type of holiday will spread and overtake the growth in traditional holidays (WTO, 1995).

Table 2.1 Possible Longstay Consumers of the Future

Market segment	Benefit Sough
The international traveller	- Reliable service - Good quality surroundings - Flexible booking opportunities - Reliable connecting services

The young student traveller	- Good value for money products - Discounts - Flexible co-ordinate packages - Educational experiences
The environmentally conscious tourist	- Sustainable tourism products - The opportunity to travel to remote and underdeveloped areas of the worlds - Reassurance of environmental features of the products
The middle-class family group tourist	- Good value for money - Discounted products - Reliability of service -Safety features

Source: *World Tourism Organization, 1995*

2.3.3 Longstay Tourism From Other Asian Countries

Traditionally, the only Asian country that has generated considerable longstay tourism is Japan. However, today, with the growth of economies in the region, a rapid growth in longstay tourism from other countries, notably South Korea and Taiwan can be seen.

Tourists from these two countries are increasingly travelling to worldwide destinations. At the same time, tourists from Hong Kong, Malaysia, Singapore and Indonesia are increasingly travelling within South East Asia.

Two other markets offer potential for massive growth in coming years, namely:

- China, where rapid-economic growth and the growth of a capitalist economy will create a new affluent class who will want to travel abroad for pleasure.
- India, which has the largest middle class of any country in the world (Swarbrooke & Horner, 1999).

2.3.4 Other Potential Longstay Tourists

Longstay visitors to Thailand are not in the country to earn a living, but rather to pursue their own interests or simply to take a long vacation and to travel. They have a regular income from their own savings, investments, or some other source in their homeland, and they could, if they wished, participate in some community development projects, to prove that their wisdom and accumulated experience are still useful and meaningful to mankind.

They may want to stay in the kingdom to fulfil a long-held dream or ambition, such as studying ancient Siamese heritage sites, undertaking a meditation course, exploring a flora and fauna in national parks, or simply relaxing by swimming, sunbathing, boating, playing golf, or any of the other almost endless possibilities that Thailand offers. With almost 10 million visitors to Thailand each year, many innovative entrepreneurs have begun to develop new accommodation facilities to attract new arrivals, especially the longstayers, who require more room space, a better environment, and medical care facilities. With the new entry of accommodation suppliers, the standards of buildings have improved to a quality acceptable to all concerned.

TAT has targeted a number of different market segments as potential longstay tourists (TAT, 2003).

One is retiree from affluent countries, such as Germany, Britain, and Scandinavia, together with overseas Chinese worldwide. Another is what is referred to as “snowbirds”, who come from the cold countries during the winter season. Many from this sector enjoy adventure travel, or they would like to use Thailand as a base to travel to nearby countries such as Laos, Cambodia, Myanmar, and Southwest China.

Students and trainees form another market sector, particularly with the very large number of international schools that have opened in Thailand in recent years. Sport training associations are yet another, with Thailand offering a diverse number of sporting activities. Those undergoing medical care or other health-related services will also form another substantial market for the longstay program.

2.4 World Tourism Situation

World Tourism has continued growth every year after World War II (since 1945). Many countries have organized and developed the tourism to be one of the industries. World Tourism Organization (WTO) forecasted that over 1,006 million of tourists would travel around the world in 2010. Today many countries are using tourism to generate for the major income for their countries.

Table 2.2 Forecast of International Tourist Arrival, 1995-2020

Year	International Tourist Arrival (Millions)
1950	25
1960	69
1970	166
1980	286
1990	458
2000	668
2010	1,006
2020	1,561

Source of Data*: World Tourism Organization (WTO)*

Table 2.3 Forecast Inbound Tourists by Region 1995-2020

Receiving Region	International Tourist Arrival (Millions)			
	1995	**2000**	**2010**	**2020**
Europe	336	393	527	717
East Asia/Pacific (Thailand)	81 (6.9)	93 (9)	195 (18.8)	397 (36.9)
Americas	110	130	190	282
Africa	20	27	47	77
Middle East	14	18	36	69
South Asia	4	6	11	19
TOTAL	**565**	**668**	**1,006**	**1,561**

Source of Data: *World Tourism Organization (WTO)*

Table 2.4 Forecast of Inbound Tourist Annual Average Growth

Receiving Region	Average Annual Growth Rate (%)			
	1995	**2000**	**2010**	**2020**
Europe	3.2	3	3.1	3.1
East Asia/Pacific (Thailand)	2.7	7.7 (+2.7)	7.4 (+6.9)	6.5 (+6.9)
Americas	3.4	3.9	4	3.8
Africa	6.1	5.6	5.1	5.5
Middle East	6.1	7	6.7	6.7
South Asia	5.7	6.7	5.8	6.2
TOTAL	**3.4**	**4.2**	**4.5**	**4.1**

Source of Data: *World Tourism Organization (WTO)*

For the last 4 decades, there were over 11 million annually increasing of tourists around the world. The trend of tourism in 21^{st} century is continuously increased. WTO forecasted that there would be 4.5% annual growth rate in 2010

2.5 World Events Impact

2.5.1 Event of terrorist attack in United State on 11 September 2001

The day the World Trade Towers were destroyed in New York City marked the start in a worldwide decline in international travel. The attacks in the United States however are not and have not been the only factor for the reduction of business and leisure travelers to Thailand. For leisure travelers arriving from abroad, the impact of September 11^{th} is more direct. There is a survey from TAT that there has been a fall off of nearly 90% of Japanese guests. The TAT figures indicate 11^{th} September was the more significant factors, as international arrivals in September 2001 were 729,141 or only 81% as compare to September 2000. In October 2001, a nearly 10% drop in international arrivals from the previous October. The TAT figures also reveal the drop is not across the board but have been weighed to reductions in travelers from the USA, Japan, Taiwan, Korea, Malaysia and South Asia.

At the same time, TAT has produced figures showing an increase in visitors from Great Britain, Germany, China, Australia, and the Middle East. This is somewhat heartening to government officials but points out that the travel and tourism industry has many challenges to recapture markets and return to health (C. Moore 2002).

2.5.2 Event in year 2003 (Iraq War and Severe Acute Respiratory Syndrome (SARS)

The regional travel and tourism industry had experienced such a dramatic boom-to-bust scenario during Gulf War in 1991. Once again, the first six months of

2003 will go down in history as the period when the twin crises of SARS and the Iraq war.

There is a report to review the tourism in year 2003 presented that the crises had a severe impact on Thailand. Arrivals declined significantly, especially in March (-12%) and in April (-40%). Visitor arrivals at Bangkok International Airport during January-May 2003 saw a total decline of 18.17% to 2,612,134. Arrivals from the Middle East showed the biggest decline of 33.51% to 50,062, while visitors from Europe showed the lowest decline of 9.30% to 786,229. The crises have thrust the entire industry into an entirely new paradigm, emphasizing the need for strong crisis management plans, rapid response mechanisms and effective cooperation and collaboration between the public and private sectors (Bangkok Post 2003).

2.6 Thailand's Inbound Tourism Situation in 2002

2.6.1 International Tourist Arrivals

From Statistical Report 2002, (TAT, 2002) apart from the unstable global situation that affected tourism in many aspects including the economy, world oil prices, and terrorism in various destination, etc., Thailand's inbound tourism grew reversely. The number of foreign tourists visited Thailand expanded towards a good direction, exceeding the expected rate as TAT received a total number of 10.79 million tourists, which is a growth rate of 7% from the previous year (the expected number was 10.50 million tourists, an expansion rate of 4%). It was higher compared to world tourism, whose growth rate was estimated by the World Tourism Organization (WTO) to be 3%. It can be said that this year, Thailand succeeded its tourism promotion.

Table 2.5 Numbers of Tourists Arrivals, Average Length of Stay and Tourism Receipts 1990-2002

Year	Number of Tourists Arrivals	% change	Average Length of Stay	Tourism Receipts (Million US$)
1990	5,298,860	10.17	7.06	4,326
1991	5,086,899	-4.00	7.09	3,923
1992	5,136,443	0.97	7.06	4,829
1993	5,760,533	12.15	6.94	5,013
1994	6,166,496	7.05	6.98	5,762
1995	6,951,566	12.73	7.43	7,664
1996	7,192,145	3.46	8.23	8,664
1997	7,221,345	0.41	8.33	7,048
1998	7,764,930	7.53	8.4	5,934
1999	8,580,332	10.50	7.96	6,695
2000	9,508,623	10.82	7.77	7,112
2001	10,061,950	5.82	7.93	6,731
2002	10,799,067	7.33	7.98	7,530

Source of Data: *Statistical Report 2002, TAT*

Despite the unstable situation of the global tourism industry, the year 2002 continued to experience an expansion in the number of International tourist arrivals to the country at a rate of 7.33 percent, attracting more 10.8 million visitors.

There was a good expansion rate in almost every region except Oceania and South Africa. Australia, the major market in Oceania, was affected by its aviation problem as Qantas and British Airways have changed the transit stop from Thailand to Singapore plus the terrorism in Bali in October; therefore, a direct impact occurred to Australian tourists and their confidence in the security system in attractions in Asia was also reduced. As for South Africa, the tourism trend within the market has changed. Nevertheless, the tourism still expanded in other markets. This is a result of the continuous sales promotion and marketing, which supported Thailand's tourism in a prospective direction.

Furthermore, when look at each market, the tourists from major markets, which TAT set as high potential markets and applied aggressive marketing strategies, received a larger number of tourists than expected (TAT, 2002). These markets include Malaysia, Korea, China, Russia, East Europe, the United Kingdom, Scandinavia, India, New Zealand, and the United Arab Emirates. Likewise, Thailand was successful in capturing more tourists from the high expenditure market segment of the top-end and middle markets, family, and seniors. This reflected that Thailand's policy to attract the top-end markets was very successfully.

The tourism situation in 2003 was continually grow despite the fact that the war happened between the US and Iraq. This was because the war might not affect tourism in East Asia, Thailand's main market. Moreover, medium and long-haul markets like Oceania, the Middle East, and some countries in Europe would prefer travelling to Asia, which is further away from the war scene. These markets will grow at the moderate level. Thailand has a policy to stay neutral and welcome tourists of all nationalities plus its value for money while the rest of the world is at a halt; these factors will benefit Thailand in maintaining its position of an interesting destination. However, the growth in the number of tourists might not be that high because of the unstable situation of the war and the world's economy to follow. (TAT, 2003)

The number of tourists categorized by region can be summarized as follow:

2.6.1.1 East Asia

Table 2.6 Tourists from East Asia

Country of Residence	**2000**		**2001**		**2002**	
	Number	**%change**	**Number**	**%change**	**Number**	**%change**
East Asia	5,752,871	10.72	6,064,117	5.41	**6,531,546**	**7.71**
Asian	2,196,847	8.90	2,385,528	8.59	2,614,627	9.60
Brunei	12,762	37.57	13,912	9.01	13,755	-1.13
Cambodia	43,104	34.10	54,399	26.20	79,219	45.63
Indonesia	45,066	9.72	153,458	5.78	164,994	7.52
Laos	74,832	4.34	86,357	15.40	94,052	8.91
Malaysia	1,054,469	6.40	1,159,630	9.97	1,296,109	11.77
Myanmar	47,164	7.64	42,903	-9.03	42,266	-1.48
Philippines	103,724	22.21	129,818	21.64	142,940	10.11
Singapore	655,767	8.42	664,980	1.40	683,296	2.75
Vietnam	56,959	26.72	80,071	40.58	97,996	22.39
China	704,080	-9.22	694,886	-1.31	763,139	9.82
Hong Kong	487,151	13.31	523,465	7.45	526,138	0.51
Japan	1,197,931	12.53	1,168,548	-2.45	1,222,270	4.60
Korea	447,798	32.47	552,977	23.49	716,778	29.62
Taiwan	707,305	26.84	724,769	2.47	673,652	-7.05
Others	11,759	-8.30	13,944	18.58	14,942	7.16

Source of Data*: Immigration Bureau, Police Department*

The information of Immigration Bureau, Police Department (Immigration Bureau, 2002) stated that the East Asian market had a growth rate of 7.71%, totaling 6,531,546 tourists. Markets that contained good expansion rates were Malaysia, China, Korea, and Japan. China, in particular, grew satisfactorily. Major supportive factors include tourism promotional atmosphere within China and Korea together with Thailand's tourism promotion all year round. Moreover, the Chinese market also gained an advantage from an increasing of flights at the end of the year. The increased flights covered 3 flights/week for Bangkok–Xia Men and Bangkok–Beijing by Thai Airways International Public Company Limited and 2 flights/week for Beijing–Phuket by Air China. As for Malaysia, there was a reduction in international arrivals to international airports excluding Bangkok International Airport. However, considering the tourism trend via the Southern border, it was found that the growth rate was still satisfactory resulting in a good expansion rate. The reduction was caused by the inactive economic situation, which resulted in careful expenditure of people, especially for tourism. However, the overall tourism situation of this region was not effected. The incident in Bali and the Philippines did not have an impact on these markets. In contrast, these created positive factors to Thailand's coastal destinations, as they are competitors of Bali.

The tourism situation of this region is expected to continually grow although it is foretold that the war between the U.S. and Iraq might occur. In case war breaks out, tourists from this region are likely to prefer travelling within the region to crossing regions. Therefore, it is predicted that the war would have a low impact on tourists from the region.

2.6.1.2 South Asia

Table 2.7 Tourists from South Asia

Country of Residence	2000		2001		2002	
	Number	%change	Number	%change	Number	%change
South Asia	339,413	21.04	333,248	-1.82	**390,745**	**17.25**
Bangladesh	29,708	17.42	32,941	10.88	41,145	24.91
India	202,868	23.72	206,132	1.61	253,110	22.79

Country of Residence	2000		2001		2002	
	Number	%change	Number	%change	Number	%change
Nepal	19,603	17.52	19,009	-3.03	23,001	21.00
Pakistan	49,148	25.85	35,737	-27.29	29,902	-16.33
Sri Lanka	29,568	11.18	29,147	-1.48	32,441	11.30
Others	8,500	-3.35	10,282	20.96	11,146	8.40

Source of Data*: Immigration Bureau, Police Department*

The information of Immigration Bureau, Police Department (Immigration Bureau, 2002) stated that there was a rather high expansion rate of 17.25% in the overall international arrivals from the South Asia. In other words, Thailand received 309,745 tourists within South Asia. Thailand received an increasing number of visitors from almost every market within the region except Pakistan that faced a dramatic slow down. Apart from the impact of the U.S. attack in Afghanistan, which resulted in an unstable political situation all over the region and an uncertain internal social status caused by groups of people in various countries, the crisis affected the market only for a short period of time. This is because South Asian people are familiar with the unstable situations within their own countries; therefore, the panic or psychological effect on the people was not tense. The market started to recover rapidly since the second quarter of 2002.

India, the major market that TAT applied an aggressive marketing strategy with, experienced an increasing growth rate of 22.79% totalling 253,110 tourists especially an outstanding expansion of group tours and visitors for medical check-ups and treatments as well as visitors on business trips, which is very popular in the market. As the U.S. and the U.K. as well as other destinations in the Middle East, Africa, and some countries in Southeast Asia, is at risk for security issues, Thailand became a destination with high advantages (TAT, 2002).

However, tourism promotion among markets in Southeast Asia must be processed with care, as there has been a group of people imitating documents for entrance to the Kingdom. These groups have been proven to be Indian, Pakistani, Sri Lanka, and Nepalese nationals.

2.6.1.3 Europe

Table 2.8 Tourists from Europe

Country of Residence	2000		2001		2002	
	Number	%change	Number	%change	Number	%change
Europe	2,168,996	8.97	2,304,640	6.25	**2,450,878**	**6.35**
Austria	44,793	4.48	46,461	3.72	48,067	3.46
Belgium	50,374	6.68	54,350	7.89	56,179	3.37
Denmark	79,915	1.87	78,728	-1.49	84,617	7.48
Finland	55,144	11.48	58,530	6.14	64,115	9.54
France	239,532	5.42	237,511	-0.84	253,463	6.72
Germany	378,562	0.86	398,034	5.14	403,240	1.31
Italy	119,677	5.09	119,953	0.23	126,222	5.23
Netherlands	119,533	12.95	136,929	14.55	140,966	2.95
Norway	64,550	17.23	72,785	12.76	74,947	2.97
Russia	49,586	35.58	58,927	18.84	68,978	17.06
Spain	33,954	13.41	38,812	14.31	48,491	24.94
Sweden	209,092	28.70	223,040	6.67	220,866	-0.97
Switzerland	112,035	3.13	120,507	7.56	126,217	4.74
UK	476,387	11.91	517,974	8.73	569,812	10.01
East Europe	55,320	8.53	58,774	6.24	65,361	11.21
Others	80,542	-1.42	83,325	3.46	99,337	19.22

Source of Data*: Immigration Bureau, Police Department*

The information of Immigration Bureau, Police Department (Immigration Bureau, 2002) stated that Thailand received a total number of 2,450,878 tourists from Europe with a growth rate of 6.35%. Generally, the number of tourists from this region consistently grew all year. Important markets with good expansion include the United Kingdom, France, Italy, Switzerland, Russia, Denmark, Finland and East Europe. Some large markets like Germany and Sweden faced a dramatic slow down since the beginning of the year and had a growth rate of 1.31% and 0.97%, respectively. Main factors to this halts are a decreasing of flights from Frankfurt - Bangkok by Qantas and British Airways as well as a halt of the economy in both countries plus the current news on insecurity in these countries as a result of the incident in Bali. The mentioned factors caused a dramatic slowdown in 2002 to Germany and Sweden, which are large markets with a good rate of expansion.

In 2003, the tourism situation in Europe might not largely expand. It retained the same or experiences a little growth rate compared to 2002. This was because Europe still concerned about the global situation together with the terrorism, which targets various countries in Europe into the controversy. The world oil prices fluctuated depending on the disagreement between the U.S. and Iraq. The unstable world oil prices had a direct impact on the tourism capital of international tourists in travelling a far distance. The stronger value of the Euro currency affects the export of this region. This would further affect the economy of Germany, Sweden, France, and Italy. In conclusion, in 2003, major international tourists markets that Thailand concerned about were Germany, Italy, Sweden, France, the Netherlands, and Norway while the United Kingdom, Russia, Switzerland, and East Europe still expand.

2.6.1.4 Americas

Table 2.9 Tourists from Americas

Country of Residence	2000		2001		2002	
	Number	%change	Number	%change	Number	%change
The Americas	584,967	13.68	604,041	3.26	640,143	**5.98**
Argentina	5,256	5.35	5,674	7.95	2,380	-58.05
Brazil	3,986	5.98	4,255	6.75	5,535	30.08
Canada	86,279	12.78	92,803	7.56	101,369	9.23
USA	473,285	13.26	485,276	2.53	509,841	5.06
Others	16,161	40.73	16,033	-0.79	21,018	31.09

Source of Data*: Immigration Bureau, Police Department*

The information of Immigration Bureau, Police Department (Immigration Bureau, 2002) stated that the overall situation of the Americas grew moderately with an expansion rate of 5.98%, an equivalent of 640,143 tourists. This expansion rate was consistent with that of the major market of the U.S., whose growth rate was 5.06%, totalling 485,276 tourists. There was still an impact of terrorism in the U.S. that result in a reduction of tourism growth in this region, especially from the U.S. in the first half of the year. Later, the market recovered gradually especially in the beginning. In the third quarter, the market began to experience a dramatic increase in the growth rate replacing the reduction of the same period of the previous year. This was a result of the U.S. economy that gradually improved assuring the American people to spend more. The panic of terrorism reduced its psychological effect of American tourist behavior. Although the U.S. regularly announced a warning for Americans all over the world to be more careful about terrorists attacks and to avoid travelling to risky area of South Asia, the Middle East, Africa, and Southeast Asia including Thailand, the announcement did not affect international arrivals of Americans. This was partly because Thailand still maintains its neutral image as a peaceful destination with value for money. These are like magnets that attract more tourists from this region to choose Thailand as a destination.

The economic recovery of the U.S. also had a positive impact towards other markets within the region, especially Canada and Latin America that have economic relations with the U.S. Clear evidence can be observed in Brazil and Canada, who came back on track with a strong positive movement and a continuous satisfactory improvement all year. Canada gained an additional supportive factor by joint Toronto – Bangkok flights of Air Canada and Thai Airways International Public Company Limited.

This market would moderately grow or achieved a rather low growth rate in 2003. An outside factor that might affect the market is the risk of terrorist attracts and the concern about the war between the U.S. and Iraq.

2.6.1.5 Oceania

Table 2.10 Tourists from Oceania

Country of Residence	**2000**		**2001**		**2002**	
	Number	**%change**	**Number**	**%change**	**Number**	**%change**
Oceania	381,464	8.82	427,673	12.11	**423,501**	**-0.98**
Australia	323,275	6.40	363,696	12.50	355,529	-2.25
New Zealand	55,775	26.24	61,190	9.71	64,771	5.85
Others	2,414	-4.51	2,787	15.45	3,201	14.85

Source of Data*: Immigration Bureau, Police Department*

The information of Immigration Bureau, Police Department (Immigration Bureau, 2002) stated that international arrivals of tourists from this region totalled 423,501, which is a decrease of 0.98% from the previous year. The reduction occurred continually since the second quarter as a result of the changing of the transit destination from Thailand to Singapore to the Australia – Europe route by Qantas and British Airways. This created an obstacle in travelling from Australia to Thailand. At the end of last year, Thailand also received an impact with the rumour about terrorism in various attractions of Thailand; for example, Phuket as a result of the incident in Bali plus the Australian economy was giving a sign of entering a halt during the second half of 2002. The mentioned factors resulted in a reduction of the growth rate in Oceania. Although the minor market like New Zealand still continued to expand from last year, it cannot accelerate the overall expansion of this region, as New Zealand is a small market. In 2003, the unstable global situation still had a psychological effect on tourist behavior. Tourists are concerned about being a target of a terrorist attack, as the region expressed its standpoint of being an ally to the U.S. in the war against Iraq. The positive factor for the region in 2003 was that Thai Airways International Public Limited is planning to increase the number of flights from Australia – Thailand. This could help alleviate the decreasing of flights last year. In conclusion, the tourism situation of Oceania was retained, and only a small number of tourists from Oceania were to increase.

2.6.1.6 Middle East

Table 2.11 Tourists from Middle East

Country of Residence	2000		2001		2002	
	Number	%change	Number	%change	Number	%change
Middle East	200,523	14.52	237,268	18.32	272,805	14.98
Egypt	6,322	28.50	6,077	-3.88	7,489	23.24
Saudi Arabia	13,719	10.98	13,593	-0.92	14,254	4.86

Country of Residence	2000		2001		2002	
	Number	**%change**	**Number**	**%change**	**Number**	**%change**
U.A.E.	34,124	15.29	36,692	7.53	43,549	18.69
Others	53,189	15.53	67,573	27.04	80,436	19.04

Source of Data*: Immigration Bureau, Police Department*

The information of Immigration Bureau, Police Department (Immigration Bureau, 2002) stated that the Middle East enjoyed a satisfactory movement with an increasing expansion rate of 14.98% or 272,805 tourists. Every market within this region contained a positive direction of growth regardless of the unsatisfactory condition at the end of 2001, as a result of the terrorism attack in the U.S. and the U.S. attack in Afghanistan, which caused an effect only a short period. The tourism trend of visitors in this market returned to normal at the beginning of 2002, especially Israel and the minor markets of the United Arab Emirates and Kuwait. These countries adapted quickly and resumed an outstanding expansion. Part of the indirect factor to this was that various countries in Europe and the Americas as well as some Asian countries increased strict measures on visa approval specifically for people of Arab nationality causing inconvenience in tourism for visitors from this market. Meanwhile, Thailand still maintained its image of a neutral destination, welcomed tourists of all nationalities, and offered fair tourism prices, the Arab were, therefore, interested in the country. Since the second quarter, Arab tourists changed their plan to travel more to Asia, especially Thailand and Malaysia (Muslim Country) rather than Europe and America. Thailand's sales promotion in the market of the Middle East in May, which presented new tourism products such as health, spa, and medical treatments, responded greatly to the demand of the market and is a popular new tendency.

Since the third quarter of 2002, the market was affected by the incident of the U.S. weapons inspection in Iraq and preparation to attack the country. This has caused panic to the people of the Middle East for fear of a second Gulf War that it is more violent than the first one. The tourism of this market is not much affected by this factor; Thailand can still continuously received an increasing number of tourists from this region. Connecting flights from major cities in the regions including Abu Dhabi, Bahrain, and Dubai, to Bangkok were increased in the winter flight schedule of 2002/3 in order to respond to the expanding demand of visitors from these markets.

In 2003, the market retained its positive movement although it did not achieve a very high growth rate as a result of the U.S. military operation in Iraq as well as the violent solution for Israel and Palestine in setting their disagreement, which began to have more influence on the reduction of the market expansion.

2.6.1.7 Africa

Table 2.12 Tourists from Africa

Country of Residence	2000		2001		2002	
	Number	%change	Number	%change	Number	%change
Africa	80,389	9.77	90,963	13.15	89,449	-1.66
South Africa	37,521	10.94	42,026	12.01	37,721	10.24
Others	42,868	8.77	48,937	14.16	51,728	5.70

Source of Data*: Immigration Bureau, Police Department*

The information of Immigration Bureau, Police Department (Immigration Bureau, 2002) stated that the overall growth rate of this market reduced 1.66%, a total of 89,449 tourists. South Africa, the major market, experienced a slow down with a growth rate of 10.24% or 37,721 tourists. The African market did not receive much impact from the incident in the U.S. as seen from the consistent increasing number of tourists from South Africa to Thailand until the end of last year. However, as entered

2002, the tourism trend of tourists from this market continually decreased although a positive factors was the sales promotion of South African Airlines; passengers who purchased 2 business class air tickets for the route Bangkok – Johannesburg received another ticket for free. The promotion was aimed to attract businesspeople and the top-end market. Unfortunately, it did not receive the expected response. The tourism situation of Africa retained its negative movement in 2003.

2.7 Phuket's Tourism Situation

Table 2.13 Phuket's Tourism Situation

Nationalities	2000	%MS	2001	%MS	2002	% MS
Thai	709,131	23.87	799,940	24.42	884,949	25.34
Malaysia	48,244	1.62	47,239	1.44	39,029	1.12
Singapore	63,630	2.14	60,829	1.86	60,527	1.73
China	36,961	1.24	39,100	1.19	31,789	0.91
Hong Kong	74,704	2.51	54,760	1.67	49,849	1.43
Japan	135,967	4.58	177,313	5.41	165,137	4.73
Korea	65,670	2.21	53,959	1.65	40,080	1.15
Taiwan	370,731	12.48	348,655	10.64	264,877	7.58
Sub-total East & South-east Asia	795,907	26.79	781,855	23.87	651,288	18.65

Nationalities	2000	%MS	2001	%MS	2002	% MS
Market share/Total Foreigners	35.18	0.00	31.58	0.00	24.98	0.00
Austria	53,409	1.80	91,509	2.79	89,838	2.57
Belgium	26,848	0.90	25,518	0.78	31,753	0.91
Denmark	43,024	1.45	53,214	1.62	69,998	2.00
France	71,011	2.39	91,612	2.80	106,706	3.06
Germany	202,922	6.83	233,153	7.12	261,387	7.48
Italy	82,841	2.79	138,023	4.21	147,229	4.22
Netherlands	36,048	1.21	74,254	2.27	114,851	3.29
Sweden	162,933	5.48	171,655	5.24	149,021	4.27
Switzerland	77,140	2.60	103,145	3.15	140,954	4.04
United Kingdom	250,226	8.42	191,811	5.86	192,876	5.52
Sub-total International Tourists market	1,006,402	33.87	1,173,894	35.84	1,304,613	37.36
Market share/Total Foreigners	44.49	0.00	47.42	0.00	50.04	0.00
United States	65,682	2.21	78,516	2.40	89,715	2.57

Nationalities	2000	%MS	2001	%MS	2002	% MS
Canada	19,577	0.66	44,775	1.37	82,209	2.35
Sub-total North American market	85,259	2.87	123,291	3.76	171,924	4.92
Market share/Total Foreigners	3.77	0.00	4.98	0.00	6.59	0.00
Middle East	30,129	1.01	27,824	0.85	26,324	0.75
Australia	114,253	3.85	77,984	2.38	96,343	2.76
New Zealand	23,281	0.78	15,634	0.48	28,412	0.81
India	8,414	0.28	7,338	0.22	7,652	0.22
Others	198,435	6.68	267,909	8.18	320,819	9.19
Total	2,971,211	100.00	3,275,669	100.00	3,492,324	100.00

Source of Data: *TAT, Southern Office*

Table 2.14 Number of Accommodation Establishments and Rooms in Phuket 1998-2002

	1998	1999	2000	2001	2002
Establishments	293	303	344	510	510
Rooms	17,952	20,150	19,574	26,759	26,637

Source of Data: *Statistical Report 2002, TAT*

Table 2.15 General Data of Accommodation Establishments in Phuket 1998-2002

	1998	1999	2000	2001	2002
Average Occupancy Rate	58.87	63.40	67.14	58.86	57.00
Number of Guest Arrivals	2,343,772	2,753,330	2,971,211	3,275,669	3,492,324
Average Length of Stay	3.25	3.25	3.31	3.53	3.20

Source of Data*: Statistical Report 2002, TAT*

The longstay tourism in Thailand has not yet studied deeply in details by the government before. The private sector is not also being aware with this kind of tourism. But they are interested as it is a good project that can generate more revenue and now the government has a good supporting and promotion. One of the main objectives of the 9th National Tourism Development Plan (2002-2006) is to develop Phuket to be International Tourists World Class Destination and tries to serve specific target market such as MICE (Meeting, Intensive, conference, Exhibition)market, Cruising market, Longstay market and Education market.

For just over 40 years, Phuket has played host to millions of tourists from all over the world, who have come to see and experience the uniqueness that this city has to offer. This includes centuries-old culture plus lots more.

In realising the potential of the kingdom, the Royal Thai Government assigned the Tourism Authority of Thailand (TAT), who with other related government agencies and the private sector began to search for alternative forms of tourism products to compliment the existing ones that would be attractive for various target markets. The result was the innovative product of longstay tourism in which tourists, especially retirees and other niche groups, could come to Thailand to spend their leisure time in the city for as long as 12 months. As such, they are able to experience the unique Thai historical and cultural heritage and fulfil their dreams. Phuket has a vast inventory of various attractions and activities to offer. These would also appeal to longstayers and give them the freedom to have new meaningful experiences to fulfil a dream or ambition such as studying ancient Siamese heritage sites, undertaking a meditation course, enjoying the rejuvenating effects of a herbal sauna or spa, exploring the flora and fauna in national parks, or simply relaxing by swimming, sunbathing, boating, playing golf, or any of the other endless possibilities.

2.8 Phuket's Description

The information from http://bee.co.th stated that the word Phuket was formerly believed to have come from the Malayan word Bukit, which means a mountain. However, it has recently been discovered that Phuket is actually a Thai word meaning a mountain (Phu) of jewel (ket).

Formerly known as Ko (island) Thalang, Phuket was only noted for its rich tin ores, from which its wealth was derived. Today, it is better known as a tourist paradise, a most rewarding place for holidaymakers. Phuket is recognized as a renowned world tourist destination. In 1998, the Global Magazine in German as a Dream Island selected Phuket. In 1999, Phuket was also voted a winner of World's Best Island from Travel Awards, United Kingdom.

With its magnificent long white beaches, its luxuriant vegetation, its crystal blue seawater, its fantastic undersea scenery, its calm and relaxing tropical atmosphere, and its fresh prawns, lobsters and other kinds of seafood, Phuket-the Pearl of the South-entices many travelers to visit here again and again.

2.8.1 Phuket's Attractions

The numerous places of attraction in Phuket can be conveniently grouped into the following grouped: in town, Northern route, beach route, Southern route, and nearby islands.

2.8.1.1 In Town

- **Old Buildings**: in Sino-Portuguese style mixed with modern constructions from the unique identity of the town of Phuket.
- **Khao Rang (Phuket View Point)**: a low hill near the town centre, is an excellent place to view the beautiful town centre, is an excellent place to view the beautiful scene of the town, especially on a full-moon night. Several restaurants are located there.
- **Saphan Hin Mining Monument**: It was built in 1978 to commemorate the first metal are-dredger used in Thailand, introduced by Australian Captain Edward Thomasmile in 1909. With the large ground in this area and shady pine trees, it is frequented by townspeople.
- **Phuket Butterfly Garden & Insectarium**: is a wonderful place to view plenty of butterflies of different species, colorful tropical garden and rare insects and reptiles.
- **Phuket Zoo**: Getting a close encounter with an amazing rage of animals like crocodiles, camels, tigers, ostriches, emus, and other rare birds. There are also crocodile wrestling, elephant and monkey shows.
- **Phuket Orchid Garden & Thai Village**: Visitors will be charmed by elephants at work, handicraft shops and workshops, demonstrations of tin mining and rubber manufacture, cultural shows and an exhibition of exotic varieties of orchids.

2.8.1.2 Northern Route

- **Monument of the Two Heroines**: The monument comprises two statues of women, the two heroine sisters of Phuket who courageously rallied islanders to repel Burmese invaders in 1785.
- **Thalang National Museum**: Built in a Southern architectural style, the museum exhibits the way of life, culture and history of Phuket and the South.

- **Wat Phra Thong**: The temple enshrines a most revered Buddha Image of Phuket called “Phra Thong” or the Gold Buddha, estimated to be over a thousand years old.
- **Khao Phra Thaeo**: Wildlife Park is the only perfectly preserved rain forest abundant in flora and faunas in Phuket where people can encamp all year round.
- **Maithon Beach**: Backed by casuarina trees, this beach has a large open cove, which serves as an excellent shelter from the wind and is suitable for swimming.
- **Naiyang Beach**: is an ideal place for swimming and snorkeling, and a good place to see sea turtles laying eggs from November to February.
- **Mai Khao Beach or Airport Beach**: This 9-km beach is the longest beach of Phuket. It is here that until recently giant sea turtles had lumbered to lay eggs.

2.8.1.3 Beach Route

Diving along the beach route running parallel to the west coast from Rawai Beach in the South to Bangthao Beach in the North, it’s easy to appreciate the fascinating views of the beaches along the Andaman Sea.

- **Rawai beach**: is a good beach area where sea-people resides and where several restaurants provide different styles of delicious foods, especially seafood.
- **Phromthep Cape**: Sometimes called Laem Phra Chao or God’s Cape, Phromthep is a very special place at the southernmost tip of the island. It is a cliff where tourists can view the breath-taking panorama of its nice surroundings and the striking sunset.
- **Naiharn Beach**: is the place that love peace and quiet. But a swim here is not suggested during the monsoon season from May to October.

- **Kata View Point**: is on the beach route between Naiharn and Kata Noi Beach, offering a panoramic view of Kata Noi, Kata and Karon Beaches.
- **Kata Beach**: Composed of 2 lovely beaches called Kata Yai (Big Kata) and Kata Noi (Small Kata) separated from each other by a small headland. Kata Beach is a thriving resort, suitable for holidaymakers who look for tranquil surroundings with bright sun, white sand, a calm clear sea and a colorful underwater world. Kata is located only 6 km from the Chalong intersection. The way leading to the beach can overlook the elegant scene of Chalong Bay on the Southern coast of the island. Except those who like to stay in a busy area, Kata Beach has never disappointed any visitors. Various kinds of accommodations, restaurants, shops and aqua-sports facilities are available to tourists of different tastes.
- **Karon beach**: Just across a low hill to the north of Kata, the long white beach of Karon stretches magnificently with pines and palms standing tall over the rolling sand dunes providing a unique scene. It is flourishing side by side with Kata Beach, but is more placid. The seawater here is clean and the sand is powdery. It is one of the best places for swimming, diving and sunbathing. You can come from Kata to Karon easily by road or by the path along the road.
- **Patong Beach**: Patong is the foremost beach resort of Phuket, which can compete, with any other famous beaches of the world. But many people do not know that, as late as a few decades ago, Patong was the remotest district of Phuket, cut off from the main part of the island by mountains. Thanks to His Majesty King Bhumibol, after his visit to Patong in 1959, a modern road called Phra Barami was built leading from Phuket town to Patong Beach, bringing modernization to the district. Patong Beach is widely known among Thai and foreigners because of two important factors. One is its natural because the white sandy beach, plentiful sunshine, clears turquoise sea, fantastic underwater life and soft breezes. The other factor is the availability

of a wide range of man-made facilities. Here, the tourists have a big choice of accommodation of aqua-sports equipment and numerous places of nighttime entertainment, including enhancing transvestite cabaret shows. Vacationers who love nature and modern comforts would find Patong an ideal place.

- **Phuket Simon Cabaret**: is an entertainment centre on Patong Beach offering a splendid cabaret performance with lights and sounds in luxurious surrounding. It also features nightly Thai boxing games.
- **Kamala Beach**: is the only major beach in Phuket that does not have extensive hotel development and thus is still much peaceful.
- **Laem Sing Cape**: has a small white beach with a scenic rocky cape on the left.
- **Surin Beach**: This beach is a good place to see the golden sunset of Phuket. Swimming is not suggested because of strong tides and waves.
- **Bang Thao Bay**: This 8-km sandy beach is suitable for swimming, sunbathing and water sports.

2.8.1.4 Southern Route

- **Marine Biological Research Centre or Phuket Aquarium**: displays a varied collection of tropical fish, sea turtles and other marine lives.
- **Wat Chalong**: This Phuket's most beautiful and renowned temple enshrines the gift statues of monk hero Luang Pho Chaem and his assistance Luang Pho Chuang, both having important roles in quelling the minor rebellion in 1876.
- **Chalong Bay**: Being the main pier for traveling to all the islets off the east coast of Phuket, Chalong Bay is too muddy to swim in but is popular for seafood restaurants on the shore offering fine surrounding views.
- **Laem Ka Beach**: is a quiet and lovely beach frequently visited by local people.

2.8.1.5 Nearby Islands

Some interesting nearby islands of Phuket are as follows:

- **Phi Phi Islands**: One of the world's most beautiful tourist destinations with the emerald crystal sea, secluded beaches, wooded cliffed mountains, and colorful coral reefs.
- **Phang-Nga Bay**: Another world's famous tourists destinations most suitable for swimming, diving and fishing.
- **Coral Island (Ko He)**: One of the most popular destinations for a one-day tour from Phuket with colorful coral reefs, offering air-conditioned bungalows, aquatic shops, dive shops and restaurants.
- **Si-re Islet**: The biggest sea gypsy village in Phuket cut from the main island by a small canal with a hill commanding good views of Phuket.
- **Ko Racha Yai**: A favorite place of divers and snorkellers due to its beautiful coral reefs and clear blue water.
- **Ko Mai Thon**: A popular place for honeymooners from all over the world with a long white sandy beach, plentiful coral reefs and tranquil atmosphere.
- **Nakha Island**: with unspoilt natural beauty and a large famous cultured pearl farm.
- **Ko Rang Yai (Pearl Island)**: an ideal location for aquatic activities and biking.
- **Ko Yao**: Consisting of two islands the smaller one of which has beautiful secluded beaches and a vantage point offering breathtaking views of the surrounding limestone formations in Phang-Nga Bay.

2.9 Other longstay Destinations

2.9.1 Longstay Destination in Europe

Famous longstay destination in Europe are compose of

1. Spain
2. Portugal
3. Italy

1. Spain

The Coasta del Sol or "Sun coast" one of the most attractive tourist destinations in the world due to its natural beauty and infrastructure, extends along the entire coast of the province of Malaga and the Mediterranean coast of Cadiz. The section along the Mediterranean coast from Nerja to Sotogrande blends the beauty of its beaches with the rustic mountain country that protects the coast and provides it with a truly exceptional climate. Three hundred and twenty-five days of sunshine a year and an average water temperature of 18 degrees Centigrade attract visitors all year round to the sun and shores. He wiest interests are catered for whether you are relaxing on sandy beaches, enjoying sporting excitement of water sports, or the lush fairways of championship golf course.

- **Terremolinos**: Settled on a hill between the Playamar area and Carihuela, the bright, lively resort of Terremolinos is perhaps the Costa del Sol's most famous resort. Boasting magnificent clean, wide beaches, known as some of Spain's most impressive and providing a fantastic location to laze away the sunny days before enjoying all the lively nightlife the resort has to offer. For the daytime, there is a huge Aquapark, street markets, golf courses, and for the evening, along with the nightlife, longstayers will find a wide range of restaurants with all sorts of delicious cuisines. The village of Carihuela, on the coast towards Benalmadena with its fishing port atmosphere, provides an interesting taste of the Old Torremolinos.

- **Benalmadena**: Found in the centre of the Costa del Sol, this coastal resort has beautiful little stretches of sandy beaches and is backed by the Sierra Mijas hills. The resort is centered round a large luxurious marina where water sports facilities are available and is also home to the Sea Life centre and the restored steamboat, the Mississippi Willow. Hidden in the hills beyond is the original Benalmadena Pueblo (Village) with its traditional whitewashed houses and steep, winding, narrow alleys. The resort offers many daytime attractions, with Tivoli Park providing funfair rides, amusements and restaurants open until late and the nightlife is varied and fairly and lively.

- **Fuengiorola**: Fuengiorola is situated just twenty minuets from Malaga airport, while the local train station provides easy access to such popular nearby resorts as Torreblanca, Arroyo de la Miel and Torremolinos. The advantage of staying here is that it is a compact seaside resort and town which has an excellent selection of supermarkets and competitively priced shops, as opposed to being restricted to the typical gift shop strip with its imported shells and t-shirts. Fuengirola is probably most famous for its five miles of sandy beaches, flunked by high-rise hotels and residential blocks of apartments with magnificent views of the Mediterranean and sweeping coastline. A recent landscaping drive by the local municipality has resulted in a wider promenade and plenty of palm trees, interspersed with colorful flowerbeds and additional seating.

2. Portugal

- **Algarve**: Gorgeous beaches, warm water and glorious sunshine year-round: the dream holiday. The Algarve is the south coast of Portugal is the most significant location for luxury holidays. Beautiful countryside, 3000 hours of year-round sunshine with almost 100 miles of perfect beaches along with the warmth and hospitality of the local people, the variety and quality of hotels and restaurants, and the profusion of entertainment and exciting nightlife have all helped make the Algarve an internationally acclaimed holiday location. A premium destination for sun seekers who want somewhere really special to relax and enjoy themselves.

Table 2.16 Average Maximum Temperature

	Jan/Feb	**Mar/Apr**	**May/Jun**	**Jul/Aug**	**Sept/Oct**	**Nov/Dec**
Algarve	17	20	25	30	25	18
Madeira	18	20	23	25	22	19
Lisbon	16	19	23	28	23	17

Source of Data: *http://www.bee.co.th*

3. Italy

- **Tuscany-Siena Area**: few areas in the world can boast the variety of landscape and economy distinguishing the territory of Siena, where every town, village or hamlet contains art treasures and historical evidence of priceless value. It begins in the north with the incomparable scenic beauty of the Chianti lands, with their patchwork of wines and olive trees standing out in orderly rows against the hills tamed by the farmers' skill. Alongside the province the land dries up into the characteristic scenery of the "Crete" (clay hills), bread white, plunging down into eroded furrows and clinging to the proud, isolated cypresses atop the cliffs. An ever-changing land full of surprises, a land where every stone has remained the same throughout the centuries because its people have kept the traditions and ready to give a warm, sincere welcome.

2.9.2 Longstay Destination in North America

- **South Padre Island, Texas**: South Padre Island is the part of the world's longest barrier reef island located at the southernmost tip of Texas Gulf Coast. It is separated from the mainland by the Laguna Madre and connected by the Queen Isabella Causeway at the south end. With its warm tropical breezes and compact size the city of South Padre Island comes alive with thousands of island vacationers each year getting intimate inn search of sand, sun, and fun.

2.9.3 Longstay Destination in Australia

- **Australia' Goldcoast**: Australia's Goldcoast is the nation's playground. Located in the south east corner of Australia's Sunshine state Queensland, it is about an hour from the capital, Brisbane. The region has the glitz and glamour of sophisticated resorts combined with beautiful beaches, mountains, rainforest and entertainment. There's thrill-a-minute theme parks, wonderful adventures at wildlife parks, spectacular shopping, colourful country markets, tropical fruit plantations, quaint mountain villages and more. With 300 days of sunshine each year, longstayers will be able to make the most of the Gold Coast Holiday, simply do it all or just relax and have fun in the sun. (http://*www.bee.co.th*)

2.10 Support for Longstay Tourism by the Government

The information from http://tat.or.th stated that:

1. The cabinet approved a projected a project promoting Longstay Tourism in Thailand on 26 June 2001.
2. A national committee and Three Sub-Committees for promoting and developing Longstay Tourism have been set up.

3. TAT consulted with the Department of Export Promotion (DEP) to cooperate and promote Longstay Tourism. TAT is also in the process of setting up the standards of accommodation and services to be an official guideline for related business operators.
4. TAT consulted with the Ministry of Foreign Affairs about the adjustment of the application procedure of an O-A visa.

   4.1 To change the qualifying age to fifty years old or above. This is for facilitating those tourists who have retired early.

   4.2 Applicants must either have a deposit of an amount equal to no less than 800,000 Bath, or an income certificate (original copy) with a monthly salary of no less than 65,000 Bath, or a deposit account plus a monthly income that totals no less than 800,000 Bath a year in order to apply for the one-year O-A visa.

   4.3 To promote the concept of Longstay Tourism to the Royal Thai Embassies and Consulates abroad. The interested tourists have to present their financial or income statement to the Royal Thai Embassies or the Consulates in order to apply for the O-A visa.

   4.4 The application period (from the day they send an application until they receive the result) should not exceed twenty days.
5. The Longstay Coordination Centre was set up on the 20^{th} Fl., at TAT Head Office.
6. TAT consulted with the Immigration Bureau to improve the application system for the O-A visa.

   6.1 Approve the outcome of the consultation between TAT and the Ministry of Foreign Affairs.

   6.2 Give the royal Thai Embassies or Consulates abroad the authority to issue the O-A visa. Any extension of the period of stay has to be requested directly from the Immigration Bureau.

   6.3 The cabinet approved the procedures and qualifications of those who would like to apply for a resident's visa for special investment purposes.

The application for this category of visa must be submitted to the Immigration Bureau. When an interested person whose age is fifty years and above receives the resident's visa by interesting in Thailand an amount of ten million baht or above (buys a condominium or government bonds), his/her spouse will also obtain the same type of visa without paying any additional fee.

7. The Sub-Committee for the Policy and Business Plan announced the first five potential provinces for promoting the Longstay Programme.
8. A webpage about Longstay was included in TAT's website.
9. The Longstay concept has been promoted through a competition in creating a slogan for Longstay. The winning slogan is "Having a Longstay in Thailand feels like home.
10. The first public seminar to promote the principles and concepts of Longstay was organized on 10 September 2001, at the Department of Public Relations.
11. The Japanese-Thai Subcommittee was set up to evaluate the impediments that the Japanese Longstay visitors have faced and to facilitate their needs. In the future, the Thai European Subcommittee to study the European market will be set up.
12. The proposal to set up a One-Stop Service Centre to facilitate Longstay Visitors on the issue of regulations and rules was approved by the Cabinet. Moreover, the proposal on the establishment of the Thai Longstay Management Corporation to promote this programme was approved. The government will hold thirty percent of the total share, while the other seventy percent will be held by the private sector.
13. Questionnaire asking foreigners in Thailand for information have been given to the Immigration bureau to collect the relevant data that would be beneficial for further studies about these programmes.
14. A plan to set up a working group to promote and develop Longstay Tourism in the first five potential provinces is in the process of approval.

15. The promotion of Longstay Tourism has already been broadcasted in some media.
16. Senior journalists were invited to attend the meeting promoting the concept of Longstay Tourism on 15 October 2001.
17. An IT Booth for Longstay was presented in Thailand Tourism Festival 2001 at Muang Thong Thani.
18. The 3rd committee of the National Committee to promote and develop Longstay Tourism was held on 6 December 2001.
19. There is a plan to set up an organization to collect the information about those people who have already obtained a resident's visa. This is to follow up their status as Longstay visitors in Thailand.
20. TAT organized the Longstay Thank you party to appoint the current the Longstay visitors to be ambassadors and to promote Longstay tourism to the world on 11 December 2001.
21. A working group to be responsible for setting and examining the standards of accommodation and services has been set up. The workshop of this working group was held on 14 January 2002. This workshop is for presenting the standards of accommodation and services to the providers. The providers were allowed to make comments concerning this issue. In addition, the comments were studied and used to improve the standards.

A Cabinet meeting outside Bangkok took late on 19 May 2003 in Pattaya, Chon Buri Province. The meeting acknowledged a report on Longstay tourism in Thailand. It also approved a project to offer compensation to the families of any tourists who are infected with the Severe Acute Respiratory Syndrome (SARS) and who die in Thailand. The offer aims to create confidence in Thailand's health safety among visitors.

The information from Tourism Authority of Thailand (TAT, 2003) summarized that longstay tourists can help Thailand by:

- To promote Thailand as a Longstay destination for tourists who have a high expense capacity

- To direct foreign currency into the country and to strengthen the economic status.
- To create more working opportunities and income to the tourism industry and other related services.
- To expand tourist markets.
- To promote the expansion of the tourism industry in other regions besides the principal areas.
- Help hotels and resorts owners to have more customers.
- Help non-performing loans to be more useful and create income.
- Create working opportunities.

The information from Tourism Authority of Thailand (TAT, 2003) summarized that Thailand can offer these packages to longstay tourists:

- Medical care and Health-related services.
- Tour packages including weekly/monthly programmes, which combine accommodation in different parts of the country from mountains, urban areas, and rural area to the seaside, as well as social events, learning programmes and site visits to interesting projects.
- Personal concierge service is the essential part of taking good care of foreign visitors who need a service from a reliable and friendly entity. It is to provide them good and efficient services with reasonable costs, so that they would not be deceived by tour guides or strangers.

The information from http://www.travelthailand.com summarized that activities that longstayers can join during the longstay in Thailand include:

- Enjoy the healthy Thai food and learn the art of Thai cooking.
- Enjoy the benefits of traditional Thai massage or learn the techniques for themselves at numerous resorts and spas.
- Enjoy traditional heading in the form of an herbal steam bath designed to improve circulation, reduce stress and muscle fatigue. Take the opportunity to enhance the respiratory system, ease allergies and cure skin ailments.
- Meditate the way to health and happiness.

- Rejuvenate the body, mind and spirit. This is a distinctively Thai atmosphere at the finest of spas.
- Take up yoga and achieve harmony of mind, body and spirit.
- Experience the rejuvenating power of acupuncture, a technique that awakens the body's self-healing responses and restores the balance of yin and yang.
- Experience the holistic healing power of aromatherapy and wave good-bye to negative energies and depression.
- Pamper themselves with all kinds of beauty treatments, modern and traditional, at amazing Thai spices.
- Learn the Thai language for a better understanding of the country and its people, so making their longstay more fun and meaningful.

According to the report, prepared by the Ministry of Tourism and Sports, local people and communities have been encouraged to take part in the Government's Longstay Tourism Promotion and development Project. TAT has under taken a joint venture with the private sector in establishing The Thai Longstay Management Corporation to carry out the Longstay Tourism Promotion and Development Project and operate the Longstay One-stop Service Center.

The Thai Longstay initiative was first embarked upon by TAT, in line with the government policy to leverage tourism as a stimulus and a valuable source of foreign exchange. In order to increase Thailand's competitiveness as the tourist destination I the region, new potential markets, such as the senior niche segment were explored. Overseas promotion took place simultaneously with public investments throughout the country.

The Thai Longstay Management (TLM) Corporation was established with the endorsement of the Thai Cabinet as the official host of Thai Longstay. TLM aims to promote Longstay by offering services and facilities that cater to the needs of individual longstayers trough strategic management of private service providers, and also stimulate the development of new services to meet new customer demands.

The corporation serves as the central agency in response to the government policy of providing full-cycle services for Longstay tourism and handling efficient business management, linking investors with entrepreneurs and tourists. Thai offices overseas will be the corporation's networks to promote its marketing. The corporation will work in alliance with other tourism-related businesses to help generate employment and income for the country.

Thai Longstay is the perfect option for health-conscious people, or simply anyone who wishes to extend the experience of feeling good by staying in Thailand longer than the usual tourists. This provides an opportunity for revitalization and rejuvenation, allowing one to relax and enjoy recreational activities that uplift the body, mind and spirit.

Basically, the Thai government is extending an invitation for visitors to feel healthier and younger by staying longer in Thailand. Rather than rushing through tourist attractions, visitors might like to consider other experiences and service features that Thailand has to offer.

Thailand also offers world-class medical care facilities-an important consideration for senior citizens. The lower cost of living in Thailand allows for a high quality lifestyle at affordable cost, truly good value for money.

Steps have been taken in collaboration with other government agencies in preparation for the expected increase in the number of inbound tourists who would like to extend the length of their stay in the country. In order to facilitate arrival procedures for longstay, the immigration office now offers the one-year O-A Visa for visitors aged 50 and above, and extends eligibility to the accompanying spouse as well.

The Thai government regards the Longstay project as a high-potential industry, and several government agencies have been working actively on this project together with non-governmental organizations.

TLM also offers customized longstay packages which longstayers can freely alter to suit their own individual preference.

The report states that results of the project are evaluated once a month. Longstay tourists are requires to report themselves to authorities after their first 90 days in Thailand, and then the report will be made every 90 days. They may report with immigration officers in their respective areas, or at the local police station in areas where there is no immigration checkpoint. If they want to continue to stay in Thailand after one year, they may submit applications to the Immigration Office. The Longstay One-Stop Service Centre was set up to facilitate visa insurance for tourists and encourage them to travel to Thailand. It also serves as an information center for tourists, investors, and entrepreneurs to help them make decisions about travelling or operating businesses in Thailand. (*www.tat.or.th*)

2.11 Important Tourism Campaign in 2002

2.11.1 Theme: "Be My Guest"

In 2002, TAT continued Amazing Thailand marketing campaign and supplements it with another theme slogan, "Be My Guest". The campaign is to be one of the most significant marketing and public relations projects ever. It will feature the best of everything that creates demand for Thailand, including a wide variety of special interest, NICHE market products featuring Thai food, Thai handicrafts, honeymoon holidays, MICE (Meeting, Intensive, Conference and Exhibition) events, golfing, diving and longstay. The campaign also aims at boosting awareness of Thailand among international visitors and promoting the country as a value-added destination in the face of growing connection from around the world. A consortium of airlines, hotel, tour operator and other private companies has been set up to market a wide variety of special themed packages featuring Thai food, Thai products and handicrafts, honeymoon holidays, MICE events, golfing, diving and longstay.

2.11.1.1 Tourism Plan 2002

Vision for Thailand Tourism Industry

- Medium-term: To develop as well as promote Thailand as a quality destination.
- Long-term: To develop Thailand as a World Class Destination in order to achieve sustainable tourism.

2.11.1.2 Tourism Policies

1. To stimulate an uninterrupted expansion of tourism in a manner that would neither cause any environmental effects nor accelerate the development, which might be harmful to the tourism industry.
2. To distribute income to local areas by...
   - Encouraging the distribution of visitors from major tourist attractions to their nearby attractions.
   - Enhancing local involvement in tourism business operations and management.
3. To coordinate with related agencies in the public and private sectors in order to establish a network for an appropriate direction of tourism development and promotion.
4. To coordinate the cooperation among neighbouring countries in order to raise an opportunity for Thailand to become a centre as well as gateway to the region.

2.11.2 Theme: "Amazing Thailand amazes the world"

2.11.2.1 Objectives

1. To attract more income in foreign currency into the country by focusing on the increase of tourist expenditure as well as the stable average length of stay rather than the increase in the number of international arrivals.
2. To stimulate the circulation of the national monetary system by encouraging domestic travel by Thai people.

2.11.2.2 Targets

1. **Number/Receipt (2002)**
    - **International Arrivals**

    Number: 11.13 million tourist arrivals (+8.06%)

    Receipt: 370,400 million Bath (+15.70%)

Target Groups

1. **Geographical Groups (By Regions and By Countries/Markets)**
    - **By Region**: The following 5 regions have been targeted in order of priority:

    1. The Asia Pacific Region
    2. Europe
    3. The Americas
    4. The Middle East
    5. South Africa Region

    - **By Countries Markets**: 31 markets have been targeted as follow:

Active Markets	Retaining Markets
The Asia Pacific Region Japan, China, Korea, Malaysia, Singapore, Taiwan, India, Australia, New Zealand	The Asia Pacific Region Hong Kong, Indonesia, Philippines, Indochina
Europe United Kingdom, Germany, Italy, Eastern Europe (Czech, Poland, Hungary), Scandinavian, Netherlands, Russia	Europe France, Switzerland, Austria, Belgium, Spain, Greece, Turkey, Portugal
The Americas Canada	The Americas United States, Latin America
The Middle East U.A.E. (plus Iran, Bahrain, Qatar)	The Middle East Israel
South African Region	South African Region South Africa

Note:

1. Active Markets are the high potential markets in spending and growing as the readiness of Thailand in terms of access, attractions, and facilities as well as their internal factors such as economic, political affairs and demand to travel abroad. China is an exception, however, since marketing activities for this market will be launched in order to encourage good understanding while also to solve the problem of quality at the same time.

2. Retaining Markets are the markets that still need marketing promotion and development in order to fill better Thailand's carrying capacity.

2. Segmentation

- **International Markets**

Implementation Intensifies	Development Targets	Marketing Targets
Active	MICE, Longstay, Elderly, Youth-Student, Agrotourism, Health Tourism, Physical Check-up, Diving, Soft Adventure and Ecotourism, Transit Passengers, Overland Travel	Leisure, MICE, Golfing, Family, Youth-Student, Diving, Health & Spa, Longstay, Elderly, Overseas, Wedding, Honeymooners, Soft Adventure & Ecotourism, Overseas Thais, Transit Passengers, Thai Food Lovers.
Moderate	Leisure, Family, Film makers, Athletes, Cruises	Physical Check-up, Agrotourism, Expats, Film makers, Specific Nationalities with Residence in Third Countries (Chinese, Indochina), Overland Travel.

Note: Development Targets are Thailand's future markets which, development activities this year will be set up to facilitate these markets' demand of travel.

2.12 Tourism Products to Be Offered in 2002

1. Destinations:
   1.1 Major attractions in 8 provinces, which are Bangkok, Chiang Mai, Kanchanaburi, Nakhon Ratchasima, Chon Buri (Pattaya), Surat Thani (Samui), Phuket, Songkla (Hat Yai).
2. Tourism products and activities:
   2.1 Beaches
   2.2 Culture and lifestyles
   2.3 Shopping
   2.4 Golf
   2.5 Thai food
   2.6 Diving
   2.7 Eco and Soft Adventure activities
   2.8 Theme products for greater diversity: a city tour on elephant back, theme parties, etc.
   2.9 Traditional Events and Festivals
3. Tourism products for special interests:
   3.1 MICE (Meeting, Incentive, Conference and Exhibition): "The Place to Meet Campaign" presenting "Amazing Offers for MICE Planners who sign contracts in 2002"
   3.2 Wedding & Honeymoon: Wedding & Honeymoon Tour Package, both religious or ceremonial and non-religious or celebrative weddings.
   3.3 Longstay Market: Arrange tour programmes for tourists from the United States, Japan, Germany, and the United Kingdom to provinces that are ready for long stay.

3.4 The Middle East Market: Offer tour programs for the rainy season to major tourist destinations such as Phuket, Chiang Mai, Pattaya, etc.

3.5 Golf: Sales promotion under the theme "Amazing Golf Year", golf training programme by professional golfers, golf tours, etc.

3.6 Teacher and Students: Student exchange programme with different schools, a course on oriental culture through cooperation with a university.

2.13 Marketing Plan in 2003-2004

2.13.1 Objectives

1. To develop Thailand as a Tourism Capital of Asia by focusing on "Best Quality Tourists"

2.13.2 Tourism Policies

1. To increase foreign currency by:
   - Increase expenditure per person per day (An international tourist expenditure survey is conducted every year by using a sampling survey method at major frontier checkpoints including Bangkok, Phuket, Songkla, Narathiwat, Chiang Mai and Nongkhai)
   - Focus on quality and first visit tourists
   - Maintain length of stay
2. To increase potential in terms of tourism competition between Thai governmental and private sector.
3. To corporate with Asian countries in order to support tourism within the region.
4. To promote "Unseen in Thailand" to stimulate the circulation of the national monetary system by encouraging domestic travel by Thai people.

2.13.3 Targets

1. **Number/Receipt (2003)**
   - **International Arrivals**

   Number: 11.00 million tourist arrivals (+13.40%)

   Receipt: 340,000 million Bath (+17.40%)

   - **Domestic Arrivals**

   Number: 67.12 million trips (+3.10%)

   Receipt: 362,500 million Bath (+20.07%)

Amount	International Arrivals	Domestic Arrivals
Number	11.00 million tourist arrivals (+13.40%)	67.12 million trips (+3.10%)
Receive	340,000 million Bath (+17.40%)	362,500 million Bath (+20.07%)

2.13.4 Segmentation

1. **Area of Market**

Implementation Intensifies	Targets
Intensive	<u>The Asia Pacific Region:</u> Japan, China, Korea, Hong Kong, Taiwan, Malaysia, Singapore, India, Indo China, New Zealand <u>Europe:</u> England, Italy, Russia, Spain, Finland <u>The Middle East:</u> U.A.E
Maintain	<u>The Asia Pacific Region:</u> Australia, Indonesia, Philippines

	<u>Europe:</u> German, France, Switzerland, Netherlands, Austria, Belgium, Scandinavia <u>The Americas:</u> United States, Canada, Latin America <u>The Middle East:</u> Israel <u>South African Region:</u> South Africa

2. **Segment of Market**
    - **Active**: MICE, High End, Golf, Wellness & Spa, Family, Diving, Youth, Honeymooner
    - **Moderate**: Senior, Ladies, Eco & Soft Adventure, Medical Tourism, Longstay, Film Maker, Education (TAT, 2004)

Table 2.17 Tourist Targets on 9th National Tourism Development Plan

Year	Number of Tourist Arrivals	Average Expenditure (Day/Person/Day)	Average Length of Stay (Days)	Tourism Receipts (Million Bath)
2001	10,200,000	4,100	7.86	328,705
2002	11,100,000	4,300	7.86	375,158
2003	11,800,000	4,400	7.86	408,091
2004	12,700,000	4,500	7.86	449,199
2005	13,500,000	4,600	7.86	488,106
2006	14,400,000	4,700	7.86	531,965

Source of Data: *Macro Economic Department, Thai Farmers Research Center Company Limited, 2002*

2.14 Other Related Plan

Due to Phuket is the leading tourist destination in the world, and the second tourism revenue generator in the country, follow by Bangkok. There is a previous study of Associate Professor Manat Chaisawat to evaluate the potential of Phuket to be developed as a world-class destination, specifically on the supply factors (tourism products) and its tourism system (Chaisawat, 2002). The Global Code of Ethics (WTO, 2002) for tourism developed by the World Tourism Organisation (WTO) was adopted as a guideline for evaluation. The checklists developed by Groupe D'evelopment (Groupe D'evelopment, 2000) were used as the indicators of evaluation for the pilot project. To achieve sustainable tourism development, evaluation and control of development plans are also very important. The result indicated that Phuket has an average compatibility with the objectives of sustainable development and must be improved. The accommodation survey confirmed economic and social benefits from tourism in terms of creating of direct and indirect jobs to local manpower, the positive trend to environment management, cultural promotion activities and more access to information technology.

The research findings are: the proposed indicators for sustainable development for Phuket; to support self-administered of local administration organizations; to adopt controlled growth development strategy for Phuket tourism development; to increase tourism revenue for Phuket by repositioning, market diversification, quality improvement, and lengthening the tourist season; to use Phuket tourism development as a linkage to other economic sectors, i.e., agricultural sector; and to support tourism education and public awareness of the social and economic benefits as well as negative impacts from Phuket tourism industry.

Moreover, there are previous studies of Faculty of Commerce and Accountancy, Thammasart University, Bangkok, Thailand, and Mr. Sarawut Chantarasuwan to study the possibility of Longstay Tourism (2002). They discovered that the Longstay Tourism happened for many years ago. People from developed countries that have a high income would travel in their own countries or abroad for their pleasure. They take more time for staying. The Longstay Tourism has some unique requirements that different from general tourism. When the general tourists have a good pleasure with their first visiting, they will come back to visit again to stay longer. If they impress, they will come back and be longstay tourists. The market segment for the Longstay Tourists is a big market. They have a good potential in term of high income generated and have more freedom for their expenses.

There is also a previous study of Mr. Pamuke Achariyachai. He conducted a research "Strategy for Developing Tourist Longstay Market in Phuket" (Achariyachai, 2001). The study found that the target market for longstay tourists set by Tourism Authority of Thailand (TAT) were the same groups of top five nations of Phuket's visitors, Taiwan, Germany, United Kingdom, Japan and Sweden. Phuket's infrastructures and facilities for tourists are up to international standards best suit to those target market. For educational market, Phuket has developed foundation for international education more than 10 years. It has a variety of products from elementary international school, international high school as well as international program at both undergraduate and graduate levels in the university.

For the government sector, The Tourism Authority of Thailand (TAT) has announced plans to make the country the 'Tourism Capital of Asia' within three years (TAT, 2002). The Thai Tourism industry is facing an era of greater competition on the global stage, especially when free trade in services becomes more prevalent under the rules of the World Trade Organisation (WTO, 2002). However, the new strategy will place heavy emphasis on enhancing the Thai identity across all its manifestations, including the friendliness of the people, the uniqueness of its food, service quality, way of life, arts, culture and traditions nationwide.

While the industry is already well positioned to attract the mass-market group-tour sector, more focus will be placed on specific campaigns highlighting 13 niche-market products that are becoming increasingly popular among global visitors.

These include city-trips, multi-city trips, adventure/environment, man-made attractions, thematic routes, medical/health care, longstay, sport, agrotourism, and educational tourism and The Thailand Grand Festival of Monthly theme events. In addition to doing more promotional road shows in key markets and making more use of communications professionals in each of the target countries, TAT will also boost the targeting of its campaigns through customer relationship marketing programmes. Technology and the use of e-mail, websites and databases will play a significant role in this.

The pursuit of niche markets is a major component of the strategy of the longstay to position Thailand as the Tourism Capital of Asia in three years.

While attracting mass-market tourism is not seen as posing any problem, it is felt that equal emphasis needs to be placed on targeting high-level niche markets, comprising visitors who stay longer and spend more.

Among some of these keys niche markets are: health & wellness, medical tourism, longstay, retirees and golfers.

- **Spas, Health and Wellness:** The spa and health business is perhaps the fastest growing niche market**.** According to a recent survey by the Singapore-based Intelligent Spas Pte Ltd, Thailand's spa industry is worth US$ 85 million, and has grown 64% in three years. During 2001/2002, Thai spas had an estimated 3.3 million visitors, of whom 80% were from abroad. Nearly every major hotel has some kind of spa facility. While many are first-rate and world-class, others are not. Hence, in March 2003, Thailand's first spa association was set up primarily to uphold industry standards and ensure that clients are aware of those places that are genuinely committed to providing high-quality service.

  As its inception, Thailand Spa Association (TSPA) had a total of 44 members, including 12 hotels/resorts, 12-day spas, two destination spas and the remainder spa consultants, training school and suppliers of equipment and products.

  It took more than a year to put the association together, with one of the problems being that the government was unsure whether to classify the association under the category of hotel or hospital.

- **Meditation Centres**: TAT is promoting the growing number of Buddhist temples and centres where visitors can learn how to meditate.

  Thailand has become a leading centre of Buddhist learning and has a growing number of nationwide meditation retreats, located in the cities, on beaches and in the forests.

  A new brochure, recently published by TAT, identifies 18 such centres. Visitors live in dormitories, eat Spartan food, follow a simple life and listen to lectures in English. Many of these centres have also set up websites and are attracting hundred of visitors from all over the world.

- **Medical Tourism**: While spas and meditation are designed to help prevent health problems, a huge business is being generated amongst those who already have problems, and need treatment.

  Many Thai hospitals and medical centres, which have recently been listed on the Stock Exchange of Thailand to raise funds for investment in equipment and construction, see a formidable revenue stream in attracting clients for medical check-ups.

  According to TAT, the cost of getting a medical check-ups in Thailand is a fraction of what it costs in more developed countries. Language problems not with standing, a number of major Thai hospitals have learned the ropes of the travel business and are marketing themselves to local tour operators. Many are also regular participants at international trade shows, like ITB in Berlin and the Arabian Travel Mart.

  Indeed, the whole business of linkage between the hospitals and the travel industry took a step forward when Thai Airways International (THAI) began packaging medical check-ups as part of its Royal Orchid Holidays programme.

- **Longstay Retirees**: Linked to the health-and-holidays concept is the promotion of longstay visitors, which is mainly targeted as getting retirees from countries that have harsh winters and a higher cost of living to stay for extended periods in Thailand, where it is both warmer and less expensive. Senior citizens from Europe and Japan are primary target.

Originally, plans had called for a special company to be set up to market this sector, which is seen as having corresponding spin-off benefits for a number of sub-sectors like housing, health, transportation, and even recreation. Those plans have changed somewhat and the government is now looking into creating another company that will run a card-based operation for both longstay and frequent visitors. The Thai government has created a special category of one-year visa, which is extended to applicants if they can prove that they are over 50 and either have a deposit of 800,000 baht or a minimum monthly income of 65,000 baht. (*www.bangkokpost.net*)

- **Golf**: About 350,000 visitors are believed to have play golf in Thailand in 2002, generating an expenditure of nearly of 602 billion baht. The TAT is planning to raise these figures to one million golfers, generating an estimated 18.45 billion by 2007. In 2004 alone, the plan is to attract 400,000 golfers, who will generate an estimated 7.1 billion baht, or an increase of 14.29% over 2002.

Appropriate pricing strategies would also be a critical component. While the focus will be on the high-end and quality markets, TAT will work to ensure that prices remain competitive with other products in the same markets. TAT will also step up it search for new markets for broaden the sources of visitor arrivals. A new office has been opened in Stockholm.

At the same time, stronger efforts will be made to help local communities improve the quality of their products and service standards by emphasizing environmental and cultural preservation. This will better prepare them to build their tourism industries on a long-term sustainable basis.

Furthermore, there was Thailand Tourism Statistical Report 2002 (TAT, 2002). This annual report presents a compilation of Thailand’s tourism statistics. The

TAT has collected statistical figures of incoming as well as outgoing travels by International Tourists every year in order to keep track of the situation of International Tourists arrivals to Thailand. This report provides significant figures for the development as well as planning of the country's tourism industry.

Cooperation from both public- and private sectors is needed for the stepped-up expansion of 'niche markets', as it has the potential to generate huge sum of revenue in a short time. Tourism in certain niche markets exhibit high purchasing power and average spending double that of other market segments. A case in point is the longstay trips, for which Japan and the International Tourists are Thailand's major markets. At large, most tourists in this market are aged 55 or over. In 2002, the number of tourist arrivals to Thailand from this market is projected at over 1.65 million visitors with gross revenue of about Bt63 billion.

The expansion of 'niche' markets would entail some support from the government to act as a pillar in the development of this market. In doing so, publicity campaigns to penetrate the individual markets should be made, where all of them differ from those of other markets. Added to this, industry-related private businesses are encouraged to improve their services to meet the 'niche' market demand.