

Outlook for Travel to Britain

- Thai consumers have tightened their budget and reduced spending on long haul travel due to the global economic and Thailand political situation. However, it is expected that the number of travellers to the UK would increase as the economic situation is improving and the Pound is still relatively weak against the Baht.

Britain in the News

- British sport particularly the Premier League is particularly relevant at the moment as Thais are crazy about football. The Thai Premier League (TPL) was established in 1996 and has been gaining higher popularity over the past few years. TPL 2009 was the thirteenth season since its establishment. Politicians and businessmen are using TPL to further themselves and their businesses. Britain is very well known as the home of football and well regarded as the role model for further development of TPL.
- The British Council participated in Thailand International Education Exhibition 2009 (TIEE2009), organised by Department of Export Promotion, Ministry of Commerce in early October, to promote its English language courses as well as British TNE in Thailand. The purpose of the fair was to support international educational providers in the country. Currently, there are around 6,500 students going to the UK for study each year, according to the visa statistics.
- The British Film Festival was held during 4 to 11 December. Organised by the British Council and the British Embassy, the festival brought six feature films. The highlight films were 'Looking For Eric' and 'The Boat That Rocked'.
- The UK-based retail chain, Tesco, announced a one-month bonus to medium and low level employees after employee protest against its initial decision to cut this year bonus. The company currently employs around 36,000 workers in 60 provinces and claims to serve 29 million customers each month. Particularly during the period of its first establishment in 1998, Tesco has received several public criticisms. The company is now very keen to promote its CSR and green values. Also, the company is now exploring new business opportunities in the country including online shopping and reinforces its commitment to maintain its local investment in the long term despite current economic uncertainties.

General Market Mood

- The Pound is still weak relative to the Baht maintaining at around £1 pound per THB56 compared to the average value of THB67 in 2008. This can be considered as a favourable factor for UK tourism export to Thailand.
- According to the latest Economic Outlook of the National Economic and Social Development Board, the Thai economy in quarter 3 2009 showed sign of recovery from quarter 2 with a contraction of 2.8%, improved from contraction of 7.1% and 4.9% in quarter 1 and quarter 2 respectively. The improvement was due to the global economic recovery, the national economic stimulus and the increase in confidence of foreign tourists.
- Household consumption in quarter 3 decreased by 1.3%, improving from the contraction of 2.5% and 2.2% in quarters 1 and 2 respectively. Supporting factors are the increase of employment in manufacturing and hotel sector, rising of farm income and the improvement in consumer confidence due to the approval of nearly 400 public investment projects under the government's second stimulus package (SP2-"Thai Kem Kang 2012).

- Business Monitor International (BMI) announced that it expects Thailand's economy to stage a moderate rebound, growing by 3%. This expansion will be largely driven by a rebound in private consumption which is expected to contribute 1.6% points to headline growth.

Consumer Behaviour

- According to the recent Nielsen Global Consumer Confidence Survey, Thai consumers' confidence has increased to 94 from 81 in its April 2009 survey. 75% of Thai consumers said Thai economy is in recession, down from 84% in April. This was mainly driven by strong improvements in local job prospects and personal income across the country. Putting Money into Savings continues to be the strongest desire for 57% of Thai consumers; however, the results indicated that there is a willingness to spend on holidays/vacations if they have spare cash. The survey also revealed that Thai consumers (84%) say they have changed their spending habits compared to last year and that Thais will reduce expenses in New Clothes (65%), Gas & Electricity (60%), Out of Home Entertainment (60%) and Telephone Expenses (49%).
- In addition, a global study by BBDO suggested that Thai people spend less time on social outings and at entertainment venues, and more time on entertainment at home. The respondents also said they have adjusted their methods of communication, and are using the internet more often, spending more time on online activities, sending more text messages and spending more time on their mobile phones chatting with friends. The study also suggested that over 50% of the total respondents from Thailand stated that they were more inclined to consult with friends prior to making a purchase decision and would be more likely to buy fewer items of better quality, even that meant spending more. It also showed that Thai consumers were spending more time looking for product information to support their decision to purchase and were not using their credit cards as frequently.
- In terms of spending on holiday and travel, as compared to the global average, Thais were spending less on luxury but spending more on holiday probably as a way to release stress, according to the Mindshare's global online survey. However, the latest MasterCard survey revealed that Thai travellers prefer destinations closer to home. Asked about their travel priorities for the next six months, 84% of would-be Thai travellers reported planning to travel to destinations within the Asia-Pacific with Japan (35%), China (22%), Hong Kong (21%) topping the list. This is followed by destinations in Europe (31%), led by the United Kingdom (12%), Italy and Switzerland (6% each). With the current economic recession, consumers are looking to take advantage of less expensive travel options. In addition, connectivity among key tourist destinations within the Asia-Pacific and within the Middle East becomes stronger with frequent airline promotions.
- Thai students studying in the UK travelled to the UK in September and early October. Student visa number increased from last year around 20% probably due to the weakened pound and the higher difficulty in finding jobs. Family members normally join the trip to help first time students settling in. In addition, as October is the Thai school one month break, some students are attending English language schools in the UK.
- Consumers are very sensitive to price/promotion/offer. Online booking is becoming more popular as airlines sometimes offering better deals. Travel agencies need to lower their margin to maintain customer base. However, airline partners reported that the majority of the bookings still come through travel agencies as Thais prefer to hold reserved seats as long as they can and not issue tickets until they get their visas.
- The growing global concern over global warming and climate change has resulted in several public and private investments in improving the environment and promoting sustainable energy in the country. The next THB400 billion round of the government's second stimulus package, known as "Thai Khemkhaeng", would also be targeted at environmental issues, following the recent dispute between communities and investors at the Map Ta Phut industrial complex. In addition, according to the recent surveyed by Rajabhat Suan Dusit University, 27.7% of people in Thailand want the

government to increase funding for research and development of alternative energy, 22.3% want it put on the national agenda and 20.8% proposed privileges for alternative-energy investment projects and related technology. The survey showed more people are aware of the crisis in energy prices and experience more severe impacts.

- Airports of Thailand (AOT) is also planning to build solar-cell power plants at its six airports nationwide. The company aims to have green airports in the near future. The first plant will be located on the east side of Suvarnabhumi Airport in Bangkok. According to the plan, the plant will produce about six megawatts per year or 30% of the total energy consumed at the airport.

Media Matters

- Microsoft Windows Live Messenger has been very popular since its first launch in 1999. In Thailand, a Microsoft Internet Survey, IDSS Internal Tracking showed that 5.3 million Windows Live users send over 143 million instant messages per day in Thailand. The majority of the users are between 18 to 34 years old (Source: Mindshare Marketing & Media Flash November 2009).
- Other social networking sites such as Facebook and twitter are becoming more popular particularly among people from 18 to 45 with the majority of the users aged more than 35. Many organisations including the Thai government and the media are using these channels as means to communicate and engage with the new generation. Patee Sarasin, an elite owner of Nok Air, a local airline offering low-cost domestic routes, is one of the most active users of twitter.
- Several new transit media channels will be available in the near future as major transit projects including Suvarnabhumi Airport Rail Link (SARL), Bangkok Rapid Transit (BRT) and an extension of BTS Sky Train are to be completed by the end of 2010. The State Railway of Thailand provided SARL free service to the public on 5 December as part of the King's Birthday celebration and announced that it will officially launch in 2010.
- The Italian weekly fashion and lifestyle magazine, Grazia, has launched in Thailand. The magazine is published under licence by Inspire Entertainment. It targets trendy up market women aged 24 to 45. The local content will make up 40% of the magazine. The first issue went on sale on 29 September.
- The former Wallpaper magazine's Editor-in-Chief is planning to launch a lifestyle and travel magazine, SoS (Society of Style) later this year. The key selling point of the magazine will be its artistic photography. The theme of the first issue will be Korea.
- There are quite a number of TV programmes promoting tourist destinations. Japan and Korea are one of the heavy promoters with series of TV programmes on air. A TV programme featuring travel Japan, Say Hi!, is one of the examples. Its main personality is an actress who has also been appointed a goodwill ambassador for the Visit Japan Campaign Thailand since 2007. As for Korea, its TV series, films and songs have gained more popularity in Thailand over the past few years. In response to this positive trend, the Korean government and the Korean Tourism Authority are promoting its film locations and encouraging foreign film makers and photographers to do their shootings in the country. Korean beauty is also very popular among Thai girls particularly regarding Korean fair and smooth complexion. With this influence, producers of several beauty-related products and services have been trying to associate their brands with Korea. This Korean fever trend has contributed significantly to the increase in Korea market share of Thai outbound travellers.

Routes and Fares

- A number of airlines have been offering lower airfares between Bangkok and London. Examples are such as Etihad: THB 16,000, Kuwait: THB 17,000, Qatar: THB 19,000, Finnair: THB 17,800 and Air France: 21,000. Similar price promotions are also available for other destinations.

- India's Kingfisher Airlines recently launched a daily flight between Bangkok and Kolkata. After London, Colombo, Dhaka and Dubai, Bangkok is the fifth international destination on the international route network of Kingfisher Airlines.
- Thai Airways International together with KTC, a major bank in Thailand and MasterCard has launched a joint promotion, 'Dream Destinations in 7 Delights' that will be giving away air tickets to the seven top spenders to travel to seven destinations; Paris, London, Los Angeles, Milan, Sydney, Tokyo and Hong Kong.

Business Tourism

- Travel agency partners reported slight overall reduction in business travel bookings. Some business travellers have changed from flying business class to economy class.
- The Finance Minister has urged all Thai government sectors to reduce spending on travelling abroad.

Leisure Travel Trade

- During this period, there are several travel exhibitions in Thailand aimed at the travel trade such as the Union Pan's Travelling Festival in November 2009.
- Thai International Travel Fair 2010, organised by Thai Travel Agents Association (TTAA), is one of Thailand's largest international travel shows. Now in its 7th year, the event drew 700,000 people in 2009. For more information, please contact TTAA at telephone: +66 2 214 6175-78 and e-mail: ttaa@ttaa.or.th
- The Tourism Authority of Thailand (TAT) is organising a seminar series on e-marketing for tourism especially for SMEs, running from July to November.

Competitor Activity

- The Japan National Tourism Organisation is holding a "Visit Japan Photo Contest". Applicants can submit photos in two categories including 'photos taken in Japan' and 'photos taken in Thailand that remind you of Japan'. First prize is flights for two and a four-day tour package tour of Japan. Other prizes include Cannon digital cameras. There are also other prizes for those who vote for their favourite photos.
- Thailand Board of Investment (BOI) launched a new measure to encourage tourism cluster development in the country. This new investment scheme, "Service Industrial Estates" aims to promote more investment in tourism industry and tourism-related real estate in Thailand.
- The Tourism Authority of Thailand (TAT) and four private associations have banded together to come up with 20 packages aimed at boosting domestic tourism in December. Most of the packages have merit-making and religious themes. Visiting religious sites is an ever-popular among Thais, especially during times of hardships. Along the same theme, Thai Airways International has launched "THAI ValuePlus Card", a prepaid airfare card to a more affordable journey of faith to cultural travel and pilgrimages to Buddhist landmarks across Asia. This campaign covers several faith destinations across Asia including the Republic of China – Hong Kong, Taiwan, Myanmar, Indonesia, Sri Lanka, Korea, Japan, India and Nepal.

VisitBritain Activity Update

- VisitBritain hosted a Media Thank You Party at the British Ambassador's residence in November 2009. There were around 50 media people attended.

Upcoming activity

- VisitBritain is planning to launch the BritAgent campaign in Thailand and looking at partnering with an airline partner. The programme is scheduled to be launched in mid 2010.

Who's in Town?

- Prince Andrew, the Duke of York visited Thailand in October as guest of His Majesty the King and as UK Special Representative for Trade & Investment, seeking to promote and strengthen UK-Thai business ties.
- Chief executive officer Robert Elstone, Everton Academy manager, Ray Hall and members of the Club's executive management team visited Thailand in early October to further strengthen the relation with its main partner, Chang. They also met with the Thai PM and the Governor of Bangkok.