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## ASEAN Tourism Management for High-End Tourists

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### Abstract

The objective of the article was to analyze ASEAN tourism management for high-end tourists by assessing the competitive environment of tourists to increase competitiveness and advantage. The principle of Five Forces Model of Michael E. Porter was a tool for analysis to verify competence in a competitive business environment.

The results of the analysis found that the competitive environment and business opportunities; (1) intensity of rivalry; there are many existing competitors causing quite a lot of market shares. (2) bargaining power of buyers; it is quite large because there are more other products and services that can substitute. (3) bargaining power of suppliers : they can be replaced by other products but each replacement incurs both direct and indirect costs which was an obstacle for replacement. (4) New entrants are recurring all the times which was necessary to create a unique identity to enhance competitive advantages; and (5) substitute product is a part of the effect which must be attended by monitoring the situation, research and development to create a competitive advantage.

From the analysis of these five forces, entrepreneurs must create a competitive strategy to create opportunities and protect against threats that were caused by the external competitive environment that affects to the business.

**Keywords:** Tourism Management; Tourism; ASEAN; High-end Tourist; Tourist

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## การจัดการการท่องเที่ยวอาเซียนสำหรับนักท่องเที่ยวที่มีกำลังซื้อสูง

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### บทคัดย่อ

บทความวิชาการนี้มีวัตถุประสงค์เพื่อวิเคราะห์การจัดการการท่องเที่ยวอาเซียนสำหรับนักท่องเที่ยวที่มีกำลังซื้อสูง โดยประเมินสภาพแวดล้อมการแข่งขันของนักท่องเที่ยว เพื่อเพิ่มขีดความสามารถในการแข่งขันและความได้เปรียบ โดยใช้แนวคิด Five Forces Model ของ Michael E. Porter เป็นเครื่องมือสำหรับการวิเคราะห์ในการตรวจสอบความสามารถจากสภาพแวดล้อมการแข่งขันทางธุรกิจ ผลการวิเคราะห์ พบว่า สภาพแวดล้อมในการแข่งขันและโอกาสทางธุรกิจ ด้าน (1) คู่แข่งรายเดิมในอุตสาหกรรม มีคู่แข่งเดิมหลายราย ทำให้มีส่วนแบ่งทางการตลาดค่อนข้างมาก (2) อำนาจการต่อรองของลูกค้า มีค่อนข้างมากเพราะมีสินค้าและบริการอื่นทดแทนจำนวนมากขึ้น (3) อำนาจต่อรองของผู้ขาย สามารถเปลี่ยนไปใช้สินค้าอื่นได้ แต่การเปลี่ยนแต่ละครั้งต้องเสียค่าใช้จ่ายทั้งโดยทางตรงและทางอ้อม ซึ่งเป็นอุปสรรคต่อการเปลี่ยนแปลง (4) ผู้เข้ามาใหม่ เกิดขึ้นเรื่อย ๆ จึงต้องสร้างเอกลักษณ์เพื่อเสริมความได้เปรียบทางการแข่งขัน และ (5) สินค้าหรือบริการทดแทน เป็นสิ่งที่ทำให้เกิดผลกระทบส่วนหนึ่ง ซึ่งต้องเฝ้าระวังโดยการติดตามสถานการณ์ วิจัยและพัฒนาเพื่อสร้างความได้เปรียบในการแข่งขัน จากการวิเคราะห์ปัจจัยทั้งห้าประการนี้ ผู้ประกอบการต้องสร้างกลยุทธ์ทางการแข่งขันที่จะสร้างโอกาสและป้องกันภัยคุกคามซึ่งเกิดจากสภาพแวดล้อมทางการแข่งขันภายนอกที่ส่งผลกระทบต่อธุรกิจ

**คำสำคัญ:** การจัดการการท่องเที่ยว; การท่องเที่ยว; อาเซียน; นักท่องเที่ยวที่มีกำลังซื้อสูง; นักท่องเที่ยว

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## Introduction

Tourism highlights as one of the fastest-growing economic sectors within the service economy and the main source of foreign currency for a large number of countries, especially the countries in developing states around the world. (Fernando, 2021)

The ASEAN region ranked nine countries; Singapore is ranked the best when compared with the competitiveness of ASEAN tourism. In 2019, Thailand received a total score of 4.5 points (out of 7.0 points), increased by 0.1 points, ranked 3rd in the ASEAN group under Singapore and Malaysia. (Calderwood & Soshkin, 2019) Thai tourism industry continuously generates income for the country. It is an important strategy for driving the economy. Causing the employment of villagers in the community. It is an important tool for distributing income to the local area and reducing the inequality of the people.

Thailand is facing increasing competition from neighboring countries such as Vietnam and Myanmar, the Thai government has made visa procedures easier. For Chinese and Indian, the Thai government introduced a six-month multiple entry visa and reduced the visa-on-arrival charges. Tourist Visa is issued to applicants who wish to enter the Kingdom for tourism purposes. The validity of a visa is 3 months (single entry) or 6 months (multiple entries). Evidence of adequate finance (20,000 Baht per person or 40,000 Baht per family). The Visa processing fee is

1,000 Baht per entry (in the local currency).

Upon arrival, travelers with this type of visa will be permitted to stay in Thailand for a period of not exceeding 60 days. (Ministry of Foreign Affairs, Kingdom of Thailand, 2019)

In addition, for visitors from 19 countries Thailand waived visa fees, while visitors from 52 countries, including the Netherlands, can stay up to 30 days in Thailand when entering via an international airport. Tourists entering via land border checkpoints from neighboring countries are granted a maximum stay of 15 days. These lenient visa policies make Thailand is an attractive country for both long-term tourism and short-term visits. The country's geographical location in the heart of mainland Southeast Asia and its relatively well-developed infrastructure make the country an important regional hub. (Royal Thai Embassy Rome, Republic of Italy, 2012)

It is a great opportunity for the 10 members countries of ASEAN to celebrate the rapid success of the Association of Southeast Asian Nations as a single destination for tourism under a variety of campaigns, which will promote ASEAN's strength and uniqueness. (Association of Southeast Asian Nations (ASEAN), 2015)

The target markets for promoting ASEAN's 50th Anniversary Tourism Campaign will be ASEAN CLMV, including Middle East Europe, North America, China, Japan, Korea, India, and Australia. The ASEAN Tourism Competitiveness Committee is responsible

for marketing campaigns to promote other campaigns. Campaigns of tourism is a part of the ASEAN Tourism Management Strategy to gain competitive advantage, create bargaining power of buyers and sellers including threats from various replacement products. (Kingdom of the Netherlands, 2017; Maria, Urata, & Intal, 2017)

The Tourism Authority of Thailand (TAT) brought the strength points to create the growth of the tourism industry under the pressure of the global fluctuate situation. And brought the advances in information technology to be utilized with maximum efficiency.

Presenting of the products and services that were unique in the Thai way. Especially, the development of product value added through the use of innovations combined with narratives that linked local wisdom and the creativity of the new generation for create activities that attract tourists to stay longer. (Siamrath, 2019)

Among the challenges and changes of technology, society and competition in various fields may affect the decisions of tourists. Tourism Authority of Thailand (TAT) defined key target groups which were the quality tourists who had high purchasing power and focus on value rather than price.

The idea of stimulating tourism all the year under the inspiration of three different seasons. The creative routes will use local vehicles were the tools of transferring tourism

in 60 happiness routes nationwide. The destinations were linked the main and secondary tourism cities to communities that were ready to accommodate the tourists. It is very important to obtain cooperation from all relevant sectors for achieving this goal and truly create sustainable tourism. (Siamrath, 2019)

The five forces model is an analysis for understanding the environment that affects the business and understands the marketing and strategic planning correctly as well as creating a competitive advantage. When entrepreneurs face opportunities or threats, they can strengthen the promotion of the position of their business. (Porter, 1980)

For this reason, the Five Forces Model of Michael, E. Porter was applied to develop the ASEAN tourism management with an advantage based on the recognition of high-end tourists which were the group of tourists can pay expensive to get good quality services. Addition can use the information of this article to improve the ASEAN tourism management to the readiness of the five dimensions of competition to be accepted in ASEAN.

## Concept and Theory

The business environment was important to consider the strategic planning of the organization. Strategic planning will not be successful without analyzing the environment, the intensity of competition, and the

target market. Analyzing all five impact forces to know the strengths and weaknesses related to industry and competitors, visualized trends and threats in the industry, and known the trend of an industry that growing or declining. (Cronjé & du Plessis, 2020)

Thepthiamthat (2017); Cheng (2013); Pramanik and Rakib (2020) and Varelas and Georgopoulos (2017) The study included the review of the literature on the forces of competition as regards the analysis of the external microenvironment and Porter's five forces. It's an effective principle. and accepted widely.

Five Forces Model (Porter, 1980) was applied with ASEAN tourism industries for competitive advantages. These five factors indicated the opportunity to gain profit from businesses in industries. Thus, the impact or result of these 5 factors can always be changed that summarized follow as:

1. Intensity of Rivalry: Analyzed competitors in the same business both domestically and internationally because the free trade mechanism in globalization had capital movement rapidly maybe affect business operations, analyzing of competitor size, capacity, capital, market share, competitor strategy, and economic conditions affecting competition (Fehr & Falk, 1999)

2. Power of Buyers: Analyzed for known bargaining power of the consumer. If there is high competition in business and consumers have more choices, it maybe affects the

business operations of the organization, especially, in terms of revenue and market share decreases.

3. Power of Suppliers: Analyzed the manufacturers who sold raw materials to the organization. If a business had to rely on a high producer, there will be a risk of more business operations because if the manufacturer is unable to deliver raw materials that affect the business operation.

4. New Entrants: Analyzed the difficult or easy to entrant of the new entrepreneurs.

If the entering of new entrepreneurs is easy to enter, it may be affected business operations easily.

5. Substitute Product: Analyzed the products and services of the organization that was had the opportunity to replace by other products and services which maybe affect to decrease in revenue from the sales of products and services and a decrease in market share in the future (Lovelock, 1996)

Globalization affects ASEAN society in the present which changes the lifestyle to tourism because they wanted less to work than per year. The development of quality of life was focus on tourism for relaxing by saw the good view, entertainment, shopping, learning and change the culture with the villager. Tourism in the community was created occupation and income which was useful for villagers and created the income into the country too. Therefore, the policy of tourism must focus on the good quality of

service, be aware of the value, confidence in the security, and the activities of health service which suitable for age.

Cultural tourism was the strong point and miracle in the perspective of tourists although Thai society will be change follow Globalization. Tourism businesses must create a distinctive point or value for the tourists feel the cost was worth with the something that they got from tourism. High-end tourists have the ability to afford and expect excellent service. The strategic planning must present the service that impresses this high-end tourist's group. Therefore, repeat visiting or telling other tourists will be visiting in the future.

Public Sector must push the policy of tourism to expand by a focus on quality tourists. The survey information was necessary for understood the behavior of tourists. The guideline of competitive advantage tourism must understand the style of tourists, threat the natural resource and environment, new products, new markets, image, and perception the image for the tourists will interesting in value of context among the tourism programs.

## Analysis

### ASEAN Tourism Market

Southeast Asia has rich and diverse set of natural and tangible and intangible cultural tourism resources located in both rural and urban areas. The region's 11 natural and 17

cultural heritage sites inscribed in the UNESCO World Heritage List highlight and reflect its unique heritage. Enmeshed with its natural heritage is a rich and diverse endemic ethnic culture with overlays of Arab, Chinese, Indian, and European influences. Buddhist, Hindu, Muslim, and Christian religious traditions, and vernacular architecture, music, literature, and indigenous knowledge enrich the region and add to the appeal of its outstanding natural heritage, its rural landscapes, and its vibrant urban centers. (United Nations Educational, Scientific and Cultural Organization (UNESCO), 2020)

The main weaknesses are in the areas of infrastructure and business environment, regulatory framework, and human resources. Developing quality tourism destinations and products remains a major challenge for ASEAN. The weak performance of the less developed Member States are reflected in the asymmetric nature of the distribution of tourism flows within the region. The challenge, therefore, is to raise the competitiveness of the tourism sector in the affected Member States to bring about a more inclusive distribution of benefits relative to factors such as population and resource capacity. Thus, the focus areas to raise competitiveness are marketing, product development, investments, quality tourism, human resources, connectivity and infrastructure, and travel facilitation.

The challenge of the vision going forward is to give more attention to promoting ASEAN sub-regional destinations and circuits targeting more inclusive and measurable tourism outcomes. There are already destination product development and marketing tourism programs in the Mekong, BIMP-EAGA and IMT sub-regions that need to be integrated into the ASEAN tourism framework and supported with technical assistance in the area of planning, policy, infrastructure, product development and marketing, capacity building and monitoring and evaluation.

The bigger challenge towards achieving high-quality standards is related to the development and implementation of the certification processes. The challenge is rooted in the fact that ASEAN countries have varying systems of certification and levels of priorities for delivering effective certification systems due to resource issues – funding and manpower as examples. In some countries, the certification is voluntary while in others it is mandatory. Likewise, as pointed out in the ATSP 2011-2015, there is a need to develop measurable standards and indicators for each of the areas and make them transparent to the tourists when they make decisions.

There is scope for ASEAN to collectively do more to strengthen the ASEAN focal points for consumer complaints, consider an information exchange mechanism between agencies responsible for tourism, strengthen cross-border redress mechanisms and consider an online system for complaints.

A major factor impeding the development of a more competitive tourism sector in ASEAN is the low quality and limited provision of air, sea and road connectivity infrastructure, particularly in the less developed destinations outside the main gateway areas of the region, as well as the basic destination infrastructure (including small-scale community-based infrastructure such as visitor information centers) necessary to support sustainable and inclusive growth.

There are still significant opportunities to connect a number of secondary gateways and sub-regional points to other ASEAN destinations and to the rest of the world by accelerating the development of airport infrastructure and removing barriers to free flow of people and goods across ASEAN. Together with enhanced travel facilitation programs, investments in connectivity and infrastructure will help ASEAN tourism stakeholders upscale and expand the development of regional tourism products and experience along regional tourism clusters or corridors. The provision of these infrastructure support facilities will also enable the engagement or participation of local communities in the tourism value chain along the tourism clusters or investment corridors.

### High-end Thai Tourist

TAT's goal is to use social media to market Thailand as a premier destination for 'quality' tourists, both in the holiday

and business sectors. The agency wishes to change the country's perceived clichéd value-for-money label, to more of a luxury brand for regional and international tourists.

Thailand's travel industry leaders have voiced optimism that the healthy tourism the performance enjoyed will continue into the present, as the country's quality tourism strategy has paid off successfully.

They have developed both an online social presence and campaign to target four premium classes of visitors – weddings and honeymooners, avid golfers, eco-tourists and tourists seeking medical treatment.

Furthermore, to not disregard with the dramatic rise in mobile use with tourists, TAT now has 20+ mobile applications to help support this mushrooming international progression in the digital realm.

If the agency can get to know their visitors more intimately through digital media and its multi-channel outlets, they will be able to determine more accurately the wants, needs and lifestyle of their targeted high-end tourist.

The high-end tourist market is like any other market in that there are different niches of interest and styles. Creating a high-end market means that, collectively, high-end hospitality providers distinguish themselves from each other by selecting a niche segment for which they will cater and target the customers that will want services and experiences of that niche. For example, a business traveler may want a quiet and

private hotel where they can both rest and concentrate in an open setting. In contrast, a high net worth jet-setting weekender may want a scene with lavish amenities and other guests interested in lively extravagant festivities. What is important is that hospitality and tourism agents cannot provide a one size fits all attitude to all high-end tourists, offering a luxury hotel alone; the focus needs to be on the individual experience itself.

High-end tourists may prefer this sort of contact, placing a lot of weight on the trusted referrers and interests of their inner circles communicated on user-friendly and preferred platforms such as Instagram, Facebook, or Pinterest (or We Chat and Weibo in the case of the Chinese segment), making it more effective to market to them. These programs and websites are particularly effective at driving emotion through a targeted and often interactive advertisement with their visually captivating ads which may promote word of mouth recommendations that may potentially go viral to the benefit of creating the desired market.

At the core of creating a high-end tourist market is to execute an unparalleled guest stay experience resulting in high online ratings, positive reviews, and promotional postings. As high-end tourists are paying top dollar, the hotel experience needs to impress the customer right from the onset. For example, a well thought through check-in process designed to make the customer feel



as though they are in the comfort of a guest lounge rather in a queue at a ticketing booth. New guests should always be given access to their rooms with as little delay as possible and more broadly, guests should never be left feeling unattended upon arrival. Guests that are enjoying a positive stay are more likely to post images of their experience which can in turn drive interest in the hotel in a more genuine and organic way as well. This type of engagement will drive awareness and interest in the hotel and lead to greater numbers of new guests over time.

## Conclusion

From a broader perspective, the goal is to make high-end customers aware of your high-end offerings and also to create a collective industry brand that speaks of the country as a whole. Thailand can create a high-end tourist market with the help of its “Discover Thainess” tourism campaign. Some ways to create this brand is through programs promoting the inherent aspects of Thai culture and charm, government endorsement and sponsorship in conferences and exhibitions to register high-end tour groups that provide top dollar cultural excursions to non-gateway markets that don’t receive as many foreign inbound customers, making the experience inherently unique.

Ultimately it takes all the players in the industry working in unison to create a high-end tourist market from hotels, to attractions, to services, food, and shopping. That is where public endorsement and sponsorship of a high-end market are crucial in spearheading the development of a high-end tourist market. Government agencies can work with the private sector businesses on campaigns to drive awareness of the high-end market they are trying to create. On an individual level, each high-end hotel or tourist amenity needs to be clear on its unique niche and experience proposition and be sure to implement the experience in a world-class luxury manner. Making tourists’ stay memorable in a positive way will create word-of-mouth referrals, an extremely valuable and effective method of creating the market for high-end tourists.

## Recommendation

1. Public sector and the ASEAN tourism business must bring indicators that are the factors which pressure on the industrial sector to formulate guidelines for push the management policy to be the modern organization.
2. Public sector and the ASEAN tourism business must prioritize urgent needs to formulate policies for developing ASEAN tourism business to create competitive advantage.

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