

Phuket Hotels Lose USD300 Million In Rate Plunge

Industry-wide discounting

by Phuket hotels cost the industry on the island USD300 million in room revenue in 2009, according to the Phuket Hotel Market Update report compiled by leading Thailand consultancy C9 Hotelworks. Room rate cuts averaged 20% across the board last year, leading to the loss compared to 2008 room revenue. Despite tourism arrivals rebounding back to 2007 levels, a key blow to hotel profit margins.



C9 Hotelworks managing director Bill Barnett, author of the report, said “the 2 P’s - pricing and pool villas - represented dynamic drivers as average room rates and revenue available per room declined. Bottom lines have been hit as hoteliers scrambled to induce demand and meet increasing consumer pressure for lower rates. Virtually every chain scale tier was affected with the exception of the budget and economy segment.”