

AVIATION

THAI shows faith in Europe with same sales target



Thai International Airways' A350 XWB will support the airline's new routes such as the direct flight between Phuket and Frankfurt.
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Thai Airways International (THAI) is sticking to its sales target for the European market even though bomb attacks on the continent have affected ticket sales, says Jesada Chandrema, general manager for France and Benelux.

Mr Jesada, who has been promoted to oversee the entire European market from Oct 1, said the terrorist attacks in Europe scared away tourists from Asia, including Thailand, resulting in a 10% decline in ticket sales on the route in the first half of this year.

"There was some panic among Asians, especially the Chinese and Japanese as well as Thais. Ticket sales to France alone declined by 10% in the first-half of this year," Mr Jesada told the *Bangkok Post*. But the situation is more stable now and sales of tickets to European countries have increased, he added.

There was, however, no slack in travel from Europe, he said. "Outbound trips from Europe to Thailand and other Asian countries continue to grow as usual. While we saw marginal impact from the recent bomb attacks in Thailand, we have not seen any cancellations or even postponements. Travellers only checked to see whether everything still operates as usual."

The company is confident it could boost sales for the area to meet the 10% growth target this year. Europe accounted for 20% of total sales of THAI, said Mr Jesada.

To achieve the full-year target, THAI has launched joint-marketing campaigns with partners including online agents and tour operators to create promotion packages. On top of this, prices are now lower due to the

elimination of the fuel surcharge, cutting THAI fares by 15-20%, he said.

"Competing on prices is inevitable. Previously we received many complaints about our prices as the Middle Eastern players were offering much lower fares. But after we cut our fuel surcharge and overhauled the IT system, and capitalising on our strength in operating direct flights, our situation looks a lot better than in the past," said Mr Jesada.

The company's new internet sales system went fully operational on Aug 8, said THAI president Charamporn Jotikasthira. The change in IT system and the airline's user-friendly website are part of its revenue management strategy.

"We should perform a lot better than in the past after we improved the online sales system, which allows us to keep our airfares in a competitive range and arrange connecting routes better. Route management is very important as it is a key decision factor for passengers who want to spend the shortest time on board and want appropriate arrival times," said Mr Charamporn.

He said the previous online ticket system had been very inefficient in technical terms, making it lag far behind competitors.

"With the new IT system, our prices are more competitive as we can monitor the moves of competitors and adjust fares to keep us at the same level. Previously, it took us a month to adjust our fares while other airlines could adjust their fares within hours," said Mr Charamporn.

THAI will increase the frequency of flights from Bangkok to London, Brussels and Oslo from Oct 30. This follows the increase in the number of its flights on the Bangkok-Tehran route to four a week from Oct 1.

New routes are also being introduced, such as the direct flight between Phuket and Frankfurt, scheduled to start on Nov 16.

To serve seasonal demand, THAI will also introduce flights to serve the Scandinavian market, with Bangkok-Stockholm-Phuket and Bangkok-Copenhagen-Phuket routes set to start operation in December.

In addition, the national carrier is considering resuming direct flights to the West coast of the US next year, either to Seattle or San Francisco, instead of resuming flights to destinations further south such as Los Angeles as those two cities are better in terms of connecting routes.

However, Thailand's Civil Aviation Department has to be lifted from Category II to Category I by the US's Federal Aviation Administration before the resumption of services, said Mr Charamporn.