

HOSPITALITY

Bullish Standard targets 2nd-tier cities

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Standard International, a hospitality subsidiary of SET-listed developer Sansiri Plc, plans to tap second-tier cities like Ayutthaya and Rayong with Bunkhouse, its boutique brand.

Srettha Thavisin, chairman of Standard International, said Thailand had a number of attractive destinations, particularly in second-tier cities which needed to be promoted as tourist attractions to lengthen foreign travellers' stays to longer than a few days.

"Thailand wants to boost its economy through the tourism sector, so we should build up second-tier cities to attract foreign travellers, not just major destinations like Bangkok, Phuket or Samui," he said.

Attractive second-tier cities include Ayutthaya, Sukhothai, Chiang Rai, Chiang Mai, Rayong, Ranong, Chumphon, Krabi, Hua Hin and Nan.

Those locations match the Bunkhouse brand, which focuses on locations with a rich culture.

The brand's DNA is also in line with the changing lifestyles of travellers, who increasingly look for a local focus and an authentic experience.

At the same time, the new generation of travellers prefers bespoke hotels over big brands.

"During the pandemic, many small and medium-sized hotels struggled. As the tourism industry is returning, this is a good time to resume through either rebranding or renovations," said



Mr Srettha pointed out that new generations of travellers prefer bespoke hotels over big brands.

Mr Srettha.

Bunkhouse currently has nine properties, all of which are in the US. It aims to have at least six locations in Southeast Asia over the next five years.

As there were several good hotels in attractive locations that might have

liquidity problems, Standard International would offer hotel owners funding if they needed it, Mr Srettha added.

He said that direct bookings at Standard International's brands, including The Standard, Bunkhouse, and The Peri, accounted for 55% of sales, higher

than the market average of 20%, which meant hotel owners could earn higher revenue.

“Thailand has a strong tourism potential but the country cannot fully reap the benefit from that potential,” he said.

“To gain more tourism revenue or attract high-spending tourists, the tourism business should improve, airlines should have more flights, staying here should be safe, and good hidden destinations should be promoted.”

He also suggested a measure to instantly extend a Thai visa to Chinese travellers who had obtained one in the past, which could help to bring back big spenders once the mainland loosens its travel rules.

Mr Srettha said the weak Thai baht and easing Covid-19 situation would also accelerate the recovery of the tourism sector.

On July 29, The Standard Bangkok Mahanakhon, the second property in Thailand under The Standard brand, will open, followed by The Peri, Sukhumvit 24 in 2024 and The Standard, Pattaya in 2025.

The Standard Hua Hin, its first property, has had an average occupancy of 80% since opening late last year. The hotel's average revenue per available room was 6,000 baht per night.

Founded in 1999, Standard International, in which Sansiri holds a 62% stake, is targeting revenue growth of 48% in 2022, after it expanded 128% last year.