

Post-Crisis Management of High-End Domestic Tourism: Evidence from Thailand

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Abstract

Thailand, one of the nations most dependent on tourism globally, had a severe economic shock during the COVID-19 pandemic as a result of its reliance on foreign tourists, which decreased by more than 83% in 2020. This crisis exposed deep flaws in the country's tourism sector and prompted a strategic shift toward supporting the local tourism market, particularly among affluent Thai visitors. The study aims to explore how Thailand changed its tourism strategy in response to the epidemic by concentrating on high-end domestic tourists. It examines shifts in consumer behavior, business advancements, and governmental laws to create a more resilient and regional tourism strategy. The research employs a qualitative case study methodology and uses secondary data sources such as government papers, publications from the tourism industry, expert analyses, and case studies from popular tourist locations like Phuket, Chiang Mai, Hua Hin, and Khao Yai. Comprehensive insights into tourism adaptation between 2020 and 2024 are provided via triangulated data collection. *The findings* show that wealthy Thai tourists diverted their funds to upscale domestic experiences that prioritize exclusivity, privacy, and well-being. In response, companies used digital marketing techniques, local collaborations, and service personalization. Subsidies and public-private infrastructure projects provided by the government were crucial. Hybrid tourism-real estate models have become more popular in places like Hua Hin and Khao Yai, while places like Phuket and Chiang Mai have effectively remade themselves for the local elite market. *In conclusion*, Thailand's transition to upscale domestic travel provided both a long-term resilience foundation and a cushion against the crisis. The strategic significance of market diversification, sustainable tourism growth, and inclusive policy design is emphasized in the paper. For other economies that rely on tourism and are trying to prepare their sectors for the future, these findings have important implications.

Keywords: High-End; Domestic Tourism Management; Crisis

Introduction

Thailand's economy has traditionally been largely dependent on tourism, with international tourists making up a sizable portion of the country's GDP, employment, and service exports. With over 40 million foreign tourists in 2019 and 20% of the nation's GDP derived from these travels, Thailand was one of the most popular travel destinations in the world before the COVID-19 pandemic (WTTC, 2020). A wide range of services, including travel, accommodation, shopping, and cultural attractions, are included in the tourism business and are all directly tied to the influx of visitors from all over the world. In addition to coastal regions and historical sites, large cities like Bangkok, Chiang Mai, and Phuket became popular destinations for tourists from across the world, investing heavily in infrastructure and marketing to satisfy demand.

Thailand's reliance on foreign tourism affected millions of livelihoods, especially in the unorganized sector, and went beyond direct income. Before the epidemic, almost 4 million Thais worked directly or indirectly in tourism-related occupations, such as small sellers, tour guides, craftspeople, and transportation operators, according to the Bank of Thailand (2021). These people and towns frequently lacked the diversification or economic resilience required to endure protracted drops in tourism. Additionally, tourism was a major source of foreign cash, which helped to balance the nation's trade accounts and boost domestic spending, particularly in areas with high tourist numbers.

The deliberate preference for foreign travel over domestic travel was both advantageous and disadvantageous. The main goal of government initiatives and business investments was to draw significant numbers of foreign visitors, especially from China, Europe, and the nearby ASEAN nations (UNWTO, 2020). But because of its limited concentration, Thailand was extremely vulnerable to outside shocks. When international travel ceased due to the COVID-19 pandemic, the model's vulnerability was revealed. Particularly in places that were unduly reliant on foreign arrivals, tourism receipts fell by more than 80% in 2020, leading to widespread business closures, job losses, and regional economic contractions (ADB, 2021).

Looking back, Thailand's pre-crisis tourist model emphasizes the value of resilience planning and economic diversification. The crisis highlighted the dangers of relying too much on one economic factor, even while foreign travel contributed to prosperity. In the future, the nation must make important decisions on how to rebalance its tourist policy to encourage domestic travel more, as well as sustainability and digital change. To guarantee more steady, inclusive growth in the future, this entails strengthening crisis response systems, encouraging community-based tourism, and upgrading infrastructure for local tourists.

Due in significant part to its high reliance on foreign tourists, Thailand experienced an unexpected economic shock as a result of the COVID-19 pandemic. Thailand had a dramatic loss in tourism earnings when international travel restrictions and lockdowns stopped the flow of foreign visitors; the Tourism Authority of Thailand reports that international visits fell by 83% in 2020 alone (TAT, 2021). The fundamental vulnerability of an economy that is highly reliant on external demand for business and pleasure travel was exposed by this crisis. Millions of Thai citizens lost their jobs, businesses closed, and their incomes decreased as a result of the absence of visitors, which had repercussions in a variety of industries, including retail, food services, transportation, and hospitality (ADB, 2021).

The Thai government realized it was imperative to shift its focus to the local market as a short-term safety net and a longer-term plan for increased resilience in the face of this significant upheaval. Domestic travel was marketed as a way to boost regional economies and keep jobs, especially in secondary cities and smaller towns. To encourage Thai residents to travel domestically, initiatives like the "We Travel Together" subsidy scheme were introduced,

providing savings on lodging, flights, and attractions (Ministry of Tourism and Sports, 2021). Even though local tourists often spend less than their foreign counterparts, the change helped lessen the effects of the tourism downturn and gave service providers temporary respite.

A more comprehensive reevaluation of Thailand's tourist development paradigm was also reflected in this strategic shift toward domestic travel. A "high value, low impact" strategy that prioritizes inclusive, diverse, and sustainable tourism offers was adopted as a result of the crisis. In order to attract both domestic and, eventually, foreign tourists, government programs started to encourage ecotourism, community-based tourism, and local cultural experiences (UNWTO, 2021). Additionally, social media marketing and digital channels were used to engage younger Thai consumers and promote regional, off-peak travel in order to ease traffic in popular tourist destinations. As a result, the pandemic's economic shock compelled Thailand to face the dangers of its over-reliance on tourism and sparked a required shift to internal travel as a temporary solution and a strategic change. The potential of a more robust and balanced tourist strategy was shown, even though the domestic market was unable to completely make up for lost foreign earnings. Discussions about economic diversification, long-term tourism sustainability, and the influence of local communities on Thailand's tourist economy's future have been spurred by the lessons learned during this time.

Thus, the study "High-End Domestic Tourism Management After the Crisis: The case study "A Case Study of Thailand" reveals essential methods for tourism-reliant economies to create stability through domestic market targeting and high-end travel segments. The COVID-19 pandemic forced Thailand to change its tourism approach by targeting high-income local travelers to remedy its excessive dependence on international tourism. This aligns with Javdan et al. Social sustainability remains a priority in tourism according to Javdan et al. (2023) since they promote the use of Social Life Cycle Assessment (SLCA) frameworks to create tourism destinations that are both resilient and inclusive. The Thai tourism model demonstrates the principles examined by Movahed & Ghalehtemouri (2020) in their study of spatial tourist behavior and destination attractiveness. Emerging domestic travel patterns enabled Thailand to promote privacy, wellness, and exclusivity to appeal to high-end consumers who valued these attributes after the pandemic. The results presented here align with the research conducted by Sadeghi et al. Sadeghi et al. (2024) show how spatial planning, together with data-driven decisions, helps destinations manage changing tourism dynamics and visitor preferences. This research adds valuable insights to discussions about strategic and sustainable tourism development. Through its integration of educational elements and local involvement with tourism-real estate models, Thailand presents a Meta-SWOT adaptive planning model as recommended by Rajabi & Ghalehtemouri (2023). This research examines short-term tourism recovery methods while providing strategic guidance for long-term industry transformation that proves beneficial to policymakers and researchers.

Objectives

This paper aims to explore how Thailand adapted its tourism strategies toward affluent domestic travelers.

Literature Review

Tourism in Thailand Pre-- and Post-Crisis

Thailand's Position as a Global Tourism Hub

Thailand was well-established as one of the world's top travel destinations before the COVID-19 pandemic, routinely placing among the top nations for foreign arrivals. Nearly 40 million foreign visitors visited Thailand in 2019, bringing in over 3 trillion Thai baht (almost USD 95 billion) in total tourism income (WTTC, 2020). The tourist sector was a major source

of jobs, foreign exchange, and regional development, and it directly and indirectly contributed about 20% of the country's GDP. Popular travel destinations like Bangkok, Phuket, Pattaya, Chiang Mai, and Krabi have established themselves as international brands thanks to their rich cultural heritage, stunning natural surroundings, first-rate hospitality, and exciting nightlife.

Impact of the COVID-19 Crisis

Thailand's tourism industry saw an abrupt and disastrous decline with the start of the COVID-19 pandemic. International visitor visits fell by more than 83% in 2020, from 39.9 million to barely 6.7 million, as a result of border closures and the suspension of international air travel (TAT, 2021). Revenues from tourism fell by almost 80% as a result, which led to significant problems in the industry. With an estimated 2.5 to 4 million jobs destroyed or significantly disrupted, the impact on employment was significant, especially in microenterprises and informal sectors such as small hospitality businesses, food sellers, and local guides (ADB, 2021). Due to Thailand's over-reliance on foreign tourists, the crisis exposed its economic vulnerability and spurred pressing calls for structural reform and diversification.

Government's Initial Response

The Thai government implemented a number of economic support and containment measures in response to the crisis. To stop the virus's spread, Thailand imposed stringent quarantine regulations, travel prohibitions abroad, and limits on domestic travel in the early months of 2020. Despite their positive effects on public health, these reforms made the economic shock worse. The government implemented stimulus plans, such as tax breaks for impacted industries, wage subsidies, and soft loans, to lessen the effects (Ministry of Finance, 2021). The "We Travel Together" campaign, which subsidized domestic travel by paying up to 40% of hotel and airline expenses in an effort to increase internal demand and support tourism-related enterprises, was one of the most prominent tourism-focused programs. This signaled a tactical change aimed at reviving the local travel industry and encouraging domestic travel as a short-term replacement for lost foreign earnings.



Fig. 1. Tourism in Thailand Pre and Post-Crisis

Conceptual Framework

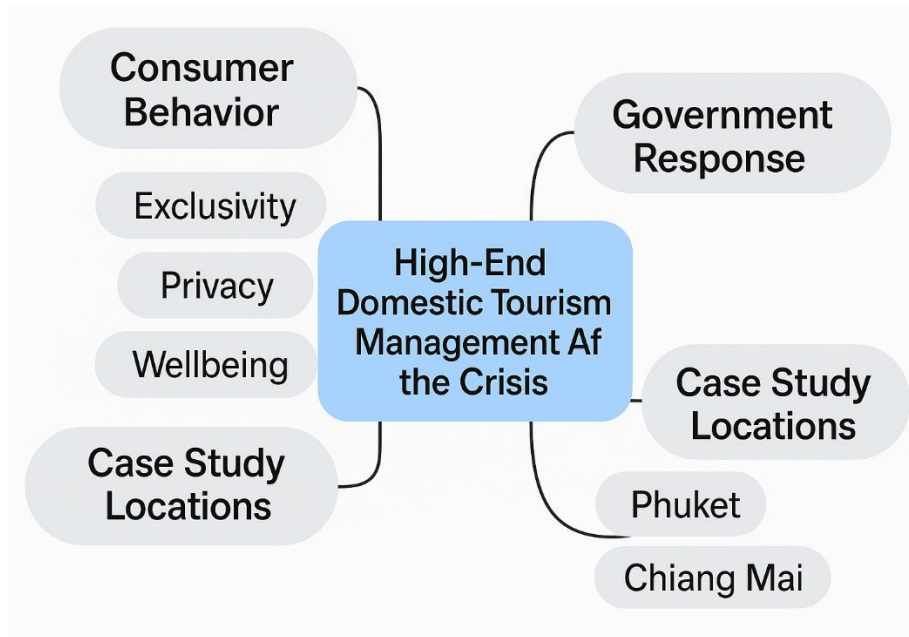


Fig. 2. Research Conceptual Framework

Research Methodology

In order to examine Thailand's response to the decline in foreign tourism and its subsequent shift toward local market tactics during the 2020–2024 post-crisis phase, this study uses a qualitative case study methodology. The case study technique is appropriate for examining complicated, multi-stakeholder topics like tourism recovery because it enables a thorough examination of real-world phenomena within their contextual settings (Yin, 2018).

To guarantee a thorough and triangulated grasp of the topic, the analysis consults a variety of secondary data sources. These include figures from the Tourism Authority of Thailand (TAT) and official government publications, including reports from the Bank of Thailand and the Ministry of Tourism and Sports. Furthermore, industry whitepapers issued by trade groups like the World Travel & Tourism Council (WTTC) and the Pacific Asia Travel Association (PATA) are used to offer sector-specific perspectives and strategic frameworks.

The study includes media pieces and expert analysis from respected Thai and foreign sites like the Bangkok Post, The Nation, and Nikkei Asia in order to capture the public conversation and changing industry mood. These resources provide up-to-date viewpoints on issues facing tourism and policy solutions, especially during the height of the pandemic and the early phases of recovery.

Lastly, the study examines corporate reactions from a variety of tourism-related businesses, such as hotels, resorts, and tour operators, using press releases, public statements, and case studies. In reaction to dwindling foreign immigration and changing consumer habits, private sector actors modified their operations, marketing, and customer engagement tactics, as seen by these cases. This triangulated methodology allows the study to capture both the micro-level innovations and the macroeconomic effects influencing Thailand's changing tourism scene.

Research Results

1. The Rise of High-End Domestic Tourism

1.1. Changing Consumer Behavior

In Thailand's tourism industry, the COVID-19 pandemic has drastically changed consumer behavior, especially among wealthy domestic tourists. Due to restrictions on international travel in 2020 and 2021, wealthy Thai visitors who had previously been used to traveling in luxury overseas started rerouting their expenditures to upscale domestic locations. Due to this change, Thailand's private villas, boutique hotels, and upmarket resorts have started to cater to this new market, which has fueled the expansion of the domestic luxury tourist sector. Destinations like Hua Hin, Chiang Mai, and the Andaman Sea islands saw a discernible increase in reservations from wealthy local tourists looking for first-rate experiences without the dangers and uncertainties of traveling abroad, according to the Tourism Authority of Thailand (TAT, 2021).

The kinds of travel experiences that are in demand have changed in tandem with this geographic shift. Travel that prioritizes privacy and wellbeing has become more popular as a result of the pandemic's increasing worries about personal space, hygiene, and health. Due to their capacity to maintain social distance while providing comfort and luxury, private pool villas, remote beachfront lodging, and unique charter experiences (such as private yacht rentals or tailored retreats) have become more and more popular (UNWTO, 2021). Similar to this, consumer demands for clean surroundings, mental renewal, and a respite from urban stress are fueling an increase in interest in nature-based tourism, including forest resorts, eco-lodges, glamping, and wellness sanctuaries. This is in line with global changes in post-crisis travel demand and reflects a larger trend toward restorative and experiential travel (Gössling, Scott, & Hall, 2021).

The Thai tourism business faces both opportunities and challenges as a result of these behavioral shifts. They indicate a long-term shift in consumer values, putting exclusivity, sustainability, and health at the forefront of tourism growth, even as they draw attention to the need to rethink products and marketing tactics for domestic wealthy tourists. Diversification, wellness integration, and ecologically conscious design must thus be given top priority in future tourist recovery plans in order to meet these new demands.

1.2. Business Strategy Adjustments

Thailand's tourism and hospitality industries, especially the luxury sector, have made strategic changes in reaction to changing consumer behavior during the COVID-19 era in order to stay competitive and relevant in a limited travel market. To attract wealthy domestic tourists, upscale resorts and boutique hotels have progressively geared their offerings toward private packages and highly customized services. These packages, which are intended to provide both luxury and safety, frequently include private transports, wellness consultations, carefully chosen culinary experiences, and flexible check-in and check-out times. While meeting the increased demands of consumers for privacy and hygiene, this kind of customisation improves perceived value (Chan, 2021).

In order to design unique travel packages that convey a profound and genuine connection to place, companies have also embraced cooperative collaborations with regional craftspeople, wellness professionals, and experience providers. This strategy helps local economies at a time of recovery while also making domestic travel more appealing. Luxury resorts in Chiang Mai and Krabi, for example, have created carefully planned activities like exclusive pottery classes, group nature hikes, and health services that use local ingredients. These tactics are in line with the tenets of regenerative and sustainable tourism, which highlight cultural authenticity and local integration as value-creating factors (UNEP & WTO, 2005).

To attract high-spending domestic segments, hospitality companies have used influencer marketing and digital channels in conjunction with service innovation. Through the use of aspirational material and genuine storytelling, resorts and tour operators have been able to increase their visibility and brand appeal by working with social media influencers, lifestyle bloggers, and travel vloggers who appeal to wealthy Thai audiences. This marketing strategy has been successful in influencing consumer preferences and purchasing patterns, particularly at a time when limited travel has rendered traditional advertising obsolete (Kaplan & Haenlein, 2010). Personalized communication, real-time feedback, and dynamic advertising campaigns that can be modified in response to market opinion are other benefits of the strategic use of digital platforms.

When taken as a whole, these business tactics show a larger change in tourism operations and marketing from a focus on large-scale, foreign travel to experiences that are focused on quality, localized, and connected to the internet. Such innovations will be essential for both survival and long-term resilience in a post-pandemic travel environment as Thailand's tourism industry recovers.

1.3. Government Support

The Thai government has been instrumental in helping the tourist industry adjust to the COVID-19 pandemic, especially in boosting luxury domestic travel as a short-term replacement for lost foreign visitors. A number of calculated initiatives were started by the Tourism Authority of Thailand (TAT) to entice wealthy Thai tourists to experience luxury travel in the nation. One such program, the "We Travel Together" campaign, successfully stimulated demand in luxury hospitality categories by offering subsidies on eating, hotel stays, and airline tickets (TAT, 2021). In addition to reviving local economies, the campaign aimed to reframe domestic travel in Thailand as an aspirational substitute for international travel.

The government launched a number of financial incentives and subsidies aimed at luxury travel suppliers in addition to marketing campaigns. These included lower VAT for tourism services, tax exemptions for travel-related expenses, and soft loans for hospitality companies to keep up with demand or improve their products (Ministry of Finance, 2021). These initiatives sought to preserve jobs, boost expenditure, and promote reinvestment in high-quality infrastructure by reducing the cost barrier for high-spending tourists and relieving financial strains on premium service providers.

Furthermore, public-private partnerships (PPPs) have become a crucial tool for improving regional tourism infrastructure, especially in places with unrealized potential for luxury travel. Enhancing airport access, updating hospitality facilities, and promoting cultural and natural attractions that appeal to domestic elites have been the main goals of partnerships between local governments, corporate investors, and tourism boards. These initiatives are part of a larger national plan to increase Thailand's reputation as a luxury travel destination, diversify its tourist offers, and lessen its dependency on mass-market foreign visitors (ADB, 2021). For Thailand's tourist sector to be resilient and competitive over the long run, governmental policy and private sector innovation must be in harmony.

Table 1 Comparative Table: The Rise of High-End Domestic Tourism

Aspect	Key Trends	Examples	Strategic Implications
Consumer Behavior	Shift from international to domestic luxury travel; rise in demand for wellness, privacy, and nature-based experiences.	High-income travelers are choosing destinations like Hua Hin and Krabi, interest in forest resorts and eco-lodges.	Need for tourism products that align with health, sustainability, and exclusivity values.
Business Strategy	Exclusive, personalized packages; partnerships with local businesses; digital and influencer marketing.	Private pottery workshops, curated wellness experiences, and the use of bloggers to promote luxury stays.	Shift from volume-based to quality-driven tourism with localized experiences.
Government Support	Campaigns like 'We Travel Together', tax incentives, and public-private partnerships for regional upgrades.	Subsidies for domestic travel, reduced VAT for tourism services, and infrastructure investment through PPPs.	Government alignment with industry innovation to support high-end tourism and resilience.

2. Case Study Examples

2.1. Phuket Sandbox & Beyond

During the COVID-19 epidemic, Thailand's innovative strategy for reopening international tourism was the Phuket Sandbox program, which was introduced in July 2021. Originally intended as a limited experimental program to bring back international visitation under stringent health regulations, it permitted foreign visitors who had received all recommended vaccinations to enter Phuket without being placed under quarantine as long as they stayed for at least 14 days (Tourism Authority of Thailand, 2021). The program's progress revealed a secondary benefit, notwithstanding its success in gradually reviving inbound tourism: the reorientation of Phuket's luxury tourism services toward wealthy domestic guests, particularly during times of decreased demand from abroad.

Many five-star resorts and private villa operators in Phuket started creating luxury packages specifically for the upscale Thai market as part of this strategic change (Da-oh et al., 2023). All-inclusive facilities like spa and wellness retreats, exquisite dining experiences, private airport transfers, and discounted extended-stay promos were included in these packages. Luxury resorts like Trisara and The Slate Phuket, for instance, catered to wealthy Thai's who would normally take their vacations abroad in places like Japan, France, or the Maldives by offering "Thai Resident Packages" (Kullapattanasopon & Povatong, 2022) that blended exclusivity, privacy, and individualized service. Even without the foreign visitor base, this localization of luxury travel strengthened the island's standing as a top tourism destination.

Additionally, the Phuket Sandbox model's domestic pivot reflects a larger national plan to promote luxury travel as a crucial recovery lever and increase resilience through market diversification. Although the pilot program served as a short-term fix during a public health emergency, it left a lasting legacy by demonstrating how destination-specific luxury models may be modified for both high-end domestic and foreign tourists (Maopraman, & Pasunon, 2022). The lessons learned from Phuket highlight the significance of product adaptability, domestic market development, and improved service standards in maintaining tourist viability after the crisis as Thailand's tourism industry looks to the future (ADB, 2021).

2.2. Chiang Mai Wellness Tourism

As global travel collapsed during the COVID-19 epidemic, Chiang Mai, a longtime favorite among foreign wellness tourists and digital nomads, underwent a strategic change. The area is well-known for its serene natural settings, rich cultural legacy, and profusion of holistic wellness providers. It has effectively adapted its wellness tourism model to cater to affluent domestic customers. Luxury spas, health resorts, and boutique hotels have modified their services to cater to wealthy Thai tourists looking for seclusion, rest, and renewal in post-crisis settings.

Many establishments in Chiang Mai have changed their marketing and service tactics to target local elites, including eco-resorts in the Mae Rim and Doi Saket districts and boutique spa retreats. In response to Thai consumers' increasing interest in wellness and mental well-being, packages increasingly highlight mindfulness exercises, spa treatments, nature immersion, and customized health programs (Krueprayong & Weerasophon, 2025). For instance, Thai-language wellness programs, private herbal workshops, and customized detox plans tailored to domestic visitors are now available at establishments like Panviman Chiang Mai Spa Resort and Chiva-Som's satellite retreat experiences (TAT, 2021).

Due to persisting health concerns and restrictions on overseas travel, premium experiences are becoming more and more sought after within Thailand, which is reflected in this smart rerouting. By utilizing local cultural resources, scenic beauty, and medical knowledge, the Chiang Mai case also demonstrates how the wellness tourist industry may support economic resiliency. Chiang Mai's capacity to draw wealthy Thai tourists puts it in a strong position for future hybrid models that cater to both domestic and foreign markets, as the demand for wellness around the world keeps rising (Smith & Puczkó, 2014).

2.3. Hua Hin and Khao Yai

Travel restrictions brought on by the pandemic caused a dramatic shift in the domestic tourist dynamics of Hua Hin and Khao Yai, two areas that have long been popular weekend escape destinations for city dwellers, especially those from Bangkok. These locations witnessed a sharp increase in upscale staycations and carefully planned weekend getaway packages aimed at drawing wealthy Thai tourists as foreign travel slowed. Targeting affluent consumers looking for short-distance getaways that blended exclusivity and convenience, hospitality operators reacted with high-end experiences that included private villas, gourmet meals, spa treatments, and golf packages (TAT, 2021).

The merging of tourism and real estate, as evidenced by the rise of hybrid models that combine vacations with real estate investment, has been a significant aspect of this change. Developers in Hua Hin and Khao Yai launched products including holiday clubs and villa-based resort communities, where clients could purchase upscale homes and take advantage of lifestyle services whenever they wanted. The distinction between private living and hospitality is blurred by these models, which are frequently marketed as "second-home getaways" and include perks including wellness facilities, exclusive club membership, and rental management (Knight Frank Thailand, 2021). This integrated strategy is best demonstrated by brands like Sansara Hua Hin and Toscana Valley in Khao Yai, which combine luxury real estate with flexible travel options.

These changes show how regional tourism is adapting to the shifting values of consumers about convenience, ownership, and customized experiences. A larger trend toward high-value domestic travel and the emergence of hybrid business models in the post-COVID period are reflected in Hua Hin and Khao Yai's success in drawing return visitors and long-stay customers. Such developments provide Thailand's second-tier locations with a model for capturing specialized markets and bolstering real estate economies associated with tourism.

Table 2 **Comparative Table: Case Study Examples in Thai Luxury Tourism**

Case Study	Focus Area	Key Strategies	Strategic Impact
Phuket Sandbox & Beyond	Luxury tourism pivots from international to domestic elite travelers	5-star resorts offering Thai Resident Packages with spa, gourmet, and private transfer services	Reinforced Phuket's image as a luxury destination; model for dual-market resilience
Chiang Mai Wellness Tourism	Wellness and eco-tourism for affluent Thai clients	Boutique eco-resorts offering mindfulness, wellness programs, and Thai-language retreat experiences	Strengthened Chiang Mai's position as a leading wellness hub for domestic and future hybrid markets
Hua Hin and Khao Yai	Luxury staycations and tourism-real estate hybrid models	Private villas, curated weekend packages, and integrated vacation clubs with property investment	Pioneered real estate-tourism convergence; potential blueprint for second-tier regional development

3. Challenges and Limitations

High-end domestic travel in Thailand is expected to rise, but its long-term scalability and inclusion are limited by several structural and socioeconomic issues. One of the most pressing issues is the limited size of the affluent domestic market. Although wealthy Thai tourists have helped luxury resorts and spa centers throughout the decline in foreign travel, this market only makes up a small percentage of the country's total population. The National Economic and Social Development Council (NESDC, 2021) claims that a small elite controls a significant portion of household expenditure, making economic inequality in Thailand a continuing problem. If there isn't a larger need for travel, this small customer base raises questions about the viability of domestic luxury tourism.

The disparity in infrastructure and service preparedness between urban and rural areas is another significant barrier. Despite having a wealth of natural and cultural resources, many second-tier and rural locations lack the first-rate infrastructure for transportation, healthcare, and hospitality needed to satisfy upscale tourists. When compared to more developed centers like Phuket, Chiang Mai, or Hua Hin, these differences make Thailand more difficult for these areas to draw in and keep wealthy domestic tourists. To ensure that less-traveled regions can participate in the luxury tourism market, closing this gap will require consistent public and private investment in infrastructure, training, and digital infrastructure (ADB, 2021).

Furthermore, by excluding mid- to low-income tourists, tourism policies that are unduly centered on high-end markets run the risk of worsening economic marginalization. Affordable travel options may become less available as luxury-focused advertising campaigns and real estate-driven initiatives take center stage in recovery narratives. This would restrict access for larger groups of people and could exacerbate already-existing social injustices. To ensure that the socioeconomic benefits of tourism are evenly dispersed throughout various population groups, scholars contend that inclusive tourism development should strike a balance between accessibility and profitability (Scheyvens & Biddulph, 2018). In the absence of this

equilibrium, Thailand's tourism industry may veer toward exclusivity, compromising its capacity to promote fair growth.

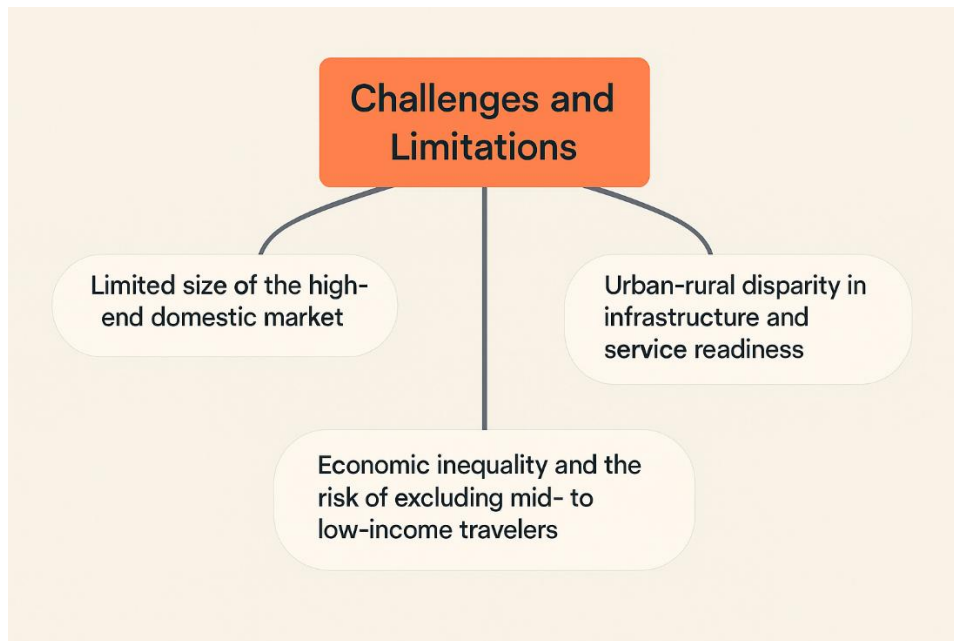


Fig. 3. Challenges and Limitations

4. Lessons Learned and Policy Implications

The rise of high-end domestic tourism in Thailand during the COVID-19 pandemic offers several **critical lessons and strategic insights** for future tourism development.

First, the experience emphasizes how crucial market diversification is for resilience. Thailand's tourist industry is extremely susceptible to global shocks due to its over-reliance on foreign visitors. The nation was able to mitigate the economic impact by shifting its focus to the domestic luxury market and creating an adaptable, region-specific tourist strategy. This strategy shows how a diverse tourism portfolio can improve crisis recovery and adaptation by including both mass and specialty segments, as well as domestic and foreign markets (ADB, 2021).

Second, the need for sustainable luxury tourist models that are socially inclusive, ecologically conscious, and financially feasible is highlighted by the post-pandemic shift in travel. High-end travel can yield significant financial gains with comparatively less environmental strain, but it needs to be supported by policies that emphasize long-term ecological integrity, resource conservation, and community involvement. This is in line with the tenets of regenerative tourism, which prioritizes holistic well-being and destination stewardship over profit alone (Hassan & Rahman, 2015). Policy frameworks should consequently incentivise investment in eco-conscious infrastructure, cultural preservation, and sustainability certifications for luxury operators.

Lastly, finding a balance between exclusivity and inclusivity in domestic tourism plans will be a major policy problem. Although travel programs targeted at the elite have been successful in boosting economic activity, they run the risk of widening socioeconomic gaps if they are not supported by easily accessible travel options for middle- and lower-class travelers. Through multi-tiered pricing, subsidized public tourism programs, and support for community-based tourist projects, policies should work to democratize access to leisure, culture, and

wellness activities. By doing this, Thailand may encourage a more resilient and equitable tourism industry, guaranteeing that growth is inclusive and in line with larger social objectives (Scheyvens & Biddulph, 2018).



Fig. 4. Lessons Learned and Policy Implications

Discussion

The COVID-19 crisis prompted Thailand to transform its tourism economy through a strategic focus on high-end domestic tourism. The decline in international visitors by over 80% during 2020 (TAT, 2021) compelled Thailand to focus on energizing its domestic tourism market by tapping into affluent domestic travelers to reduce economic impacts. The strategic move aligns with international demands for tourism reform based on resilience principles, which Javdan et al. have explored. According to Javdan et al. (2023), sustainable tourism destinations need to implement Social Life Cycle Assessment (SLCA) frameworks to maintain social and economic resilience during crisis periods. Thailand focused on upgrading local experiences to stimulate domestic spending through its sustainable tourism strategy.

The investigation revealed that Thailand's high-income group travelers displayed a preference for private wellness and nature-based vacations, with these trends now paralleling global tourism behavior after the pandemic, according to Gössling et al. (2021). Movahed and Ghalehtemouri (2020) describe spatial behavioral adaptations in tourist patterns that connect destination attractiveness with experiential quality and emotional connection alongside privacy. By transforming themselves into wellness retreats and luxury staycation destinations, Chiang Mai and Hua Hin managed to successfully tap into evolving tourist preferences.

Research demonstrates the importance of modifying product offerings to meet new domestic travel psychology patterns.

The luxury tourism sector in Thailand demonstrates how service customization and localization serve as crucial business strategies. Upscale resorts and tour operators implemented influencer marketing alongside digital personalization and artisan partnerships to deliver exclusive travel packages specifically for their affluent domestic customers (Kaplan & Haenlein, 2010). The proposed strategies follow the framework developed by Sadeghi et al. The approach of Sadeghi and colleagues (2024) stresses how spatial data and VIKOR modeling tools can improve tourism planning through optimized service allocation based on demographic behavior patterns. Through the application of these techniques, Thai businesses would gain better access to wealthy markets while contributing to local economies and maintaining cultural authenticity.

Government support played a key role in boosting the response from domestic tourists. Tourism businesses shifted rapidly to luxury domestic offerings due to the “We Travel Together” campaign, along with tax incentives and soft loans, which boosted demand (Ministry of Finance, 2021). The initiative matched structural development objectives by promoting growth in hybrid tourism-real estate projects in previously underutilized locations like Khao Yai and Hua Hin. Rajabi & Ghalehtemouri (2023) highlight how utilizing tools such as the Meta-SWOT framework helps predict regional development opportunities through the strategy Thailand implemented to merge travel with investment and infrastructure projects during its high-end market recovery.

The shift towards elite domestic tourism created resilience but led to issues regarding inclusivity and scalability for the future. High-end travelers have limited presence in the market, while regions with insufficient infrastructure can't keep luxury tourists (NESDC, 2021). Scheyvens and Biddulph (2018) critique tourism policies oriented toward elite experiences because they marginalize middle- and lower-income groups and demand models that deliver equal access and benefits. Thailand needs to maintain a balance between exclusive tourism offerings and accessible options to support sustainable growth that includes all socioeconomic groups.

Thailand demonstrates through its experiences how tourism can undergo structural innovation through responses to crises. The country established a resilient framework by adopting luxury domestic travel alongside aligning government, business, and consumer practices toward sustainable local models. As Javdan et al. The research of Javdan et al. (2023), combined with Rajabi & Ghalehtemouri (2023), demonstrates the necessity of adaptive strategies that incorporate community inclusion along with spatial intelligence and policy foresight to secure tourism's future. A well-planned and inclusively designed high-end tourism strategy in Thailand demonstrates how such an approach can lead to stable and equitable economic models.

Conclusion

Thailand's experience with luxury domestic travel has shown how important this industry is to the country's post-crisis recovery in the face of the COVID-19 pandemic's unparalleled disruption. The government was able to lessen the financial impact of the decline in foreign travel by refocusing efforts on wealthy domestic tourists. During a period of global unpredictability, this adaptive approach maintained consumer connection with domestic destinations, protected important tourism infrastructure, and helped maintain jobs. In addition to providing short-term industry stabilization, strategic advancements in marketing, destination management, and service personalization have also shown promise for more robust, varied, and sustainable tourism models in the long run. Real estate-tourism hybrids, wellness-focused

products, and customized experiences have all been successful in satisfying the changing demands of affluent Thai tourists. These changes point to a more comprehensive change in Thailand's tourism industry, one that prioritizes local integration, quality, and flexibility. Significantly, other economies that rely on tourism and must manage comparable risks can learn a lot from Thailand's strategy. The combination of private sector innovation, government assistance, and focused domestic tactics demonstrates how market diversification and flexible policymaking may increase resilience to shocks from around the world. Future-proofing tourism development on a national and international level will require a balanced focus on sustainability, inclusivity, and adaptive capacity as the industry enters the post-pandemic age.

Knowledge from Research

The new concepts based on High-End Domestic Tourism Management After the Crisis: A Case Study of Thailand

1. *Domestic Luxury Tourism as a Resilience Strategy*

- Shift: From dependence on international tourists → to targeting affluent domestic travelers.

- Purpose: Cushion economic shocks and ensure local tourism survival during crises.

2. *Health, Privacy, and Wellness-Centered Travel*

- Emerging Consumer Values:

- Prioritize privacy (private villas, exclusive retreats)

- Demand wellness and health-focused experiences (spa, detox, nature immersion)

- Impact: Hospitality businesses must integrate safety, mental well-being, and personalized health into travel offerings.

3. *Hybrid Tourism-Real Estate Business Models*

- New Innovation:

- Integration of vacation homes with resort services (e.g., Hua Hin, Khao Yai).

- Trend: Luxury consumers invest in second homes that double as private retreats.

- Outcome: Merging tourism and property markets for longer-term economic resilience.

4. *Localization of Luxury Experiences*

- Business Shift:

- Thai high-end resorts offering "Thai Resident Packages" with hyper-local, curated experiences.

- Example: Phuket Sandbox adapting luxury services for wealthy domestic travelers.

- Lesson: Destination marketing must appeal to national pride, culture, and exclusive local experiences.

5. *Government as an Active Tourism Market Maker*

- Policy Moves:

- Subsidies ("We Travel Together" campaign)

- Tax incentives for luxury travel and soft loans for tourism upgrades.

- Result: Strong public-private partnerships (PPP) for tourism resilience.

6. *Digital Influence in Tourism Recovery*

- Marketing Strategy:

- Heavy use of influencer marketing, digital storytelling, and social media to reach elite domestic audiences.

- Key Tool: Personalized, real-time digital promotions replacing traditional tourism advertising.

7. *Sustainable and Regenerative Luxury Tourism*

- Long-Term Vision:
 - Not just sustainable (low impact), but *regenerative* (enhancing destinations).
- Approach: Eco-resorts, cultural preservation, responsible luxury development.

8. *Inclusive Growth vs. Elite Capture Risks*

- Warning:
 - Overemphasis on high-end tourism risks excluding middle- and low-income

groups.

- Policy Need:
 - Balance luxury development with affordable tourism models to avoid deepening social inequality.

9. *Resilience Through Market Diversification*

- Core Lesson:
 - Diversify markets: International + Domestic; Luxury + Mass segments.
- Goal:
 - Create a tourism ecosystem capable of absorbing shocks from any single market

collapse.

10. *Crisis as Catalyst for Structural Tourism Reform*

- Reality Check:
 - COVID-19 exposed the fragility of a volume-driven, international-centric tourism economy.

economy.

- Opportunity:
 - Redesign tourism strategies for flexibility, quality, sustainability, and local empowerment.

○



Fig. 5. High-End Domestic Tourism Management After the Crisis

Recommendations

1. Policy Recommendation

According to the government, luxury domestic travel ought to be a major component of Thailand's national tourism strategy. This means sustaining and expanding support initiatives like tax rebates, public-private partnerships, and targeted infrastructure development in order to build upscale resorts like Khao Yai and Hua Hin. Policymakers should include the Sustainable Development Goals (SDGs) in tourism planning by promoting responsible consumption, cultural preservation, and community involvement, and by global best practices in sustainable tourism governance.

2. Practical Recommendation

Tourism businesses should engage in hyper-personalization and service innovation to meet the evolving preferences of affluent domestic travelers. This includes offering luxury services and wellness education to staff members, customizing items through data analytics, and forming partnerships with local artists and suppliers to enhance cultural authenticity. Additionally, destination management businesses should emphasize exclusivity, safety, and health in marketing communications to sustain passenger confidence in the post-crisis context.

3. Further Research Recommendation

Future research should examine the long-term effects of luxury domestic travel on local communities, economic justice, and environmental sustainability. Comparative studies among ASEAN countries could help Thailand refine its approach and provide insight into regional best practices. Furthermore, mixed-method research that blends quantitative visitor data with qualitative interviews may offer a more nuanced picture of tourist motivations, satisfaction, and loyalty in the domestic luxury market.

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