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Price war not best way to tackle slump



On vacation: Affendy Ismail with his sons during an excursion in Bali.

Veteran hotelier Affendy Ismail is confident that our hotel industry will eventually recover from the damage caused by the street riots in Bangkok over Songkran. That's because he thinks the domestic hospitality sector is essentially strong and resilient. At the moment, though, business is pretty dire, with the 41-year-old general manager of the President Solitaire revealing that he's had 500 cancellations since April 1.

"Tourist confidence is a paramount issue that should be addressed as soon as possible," said the Malaysian national who's been working here for less than a year. "As an hotelier I feel confident when I see how diligently the government and the TAT [Tourism Authority of Thailand] have been working to alleviate [travellers'] security fears. [At the President Solitaire] we cater largely to the leisure market, but we also have a growing corporate segment. The image of buses being burned is still fresh in the minds of people, so it's imperative to work towards getting their trust back."

Noting that the current crisis has exacerbated price-cutting by hotels, he said that, based on his own experience, this is not a good strategy to adopt because it is often difficult to restore one's room rates to the previous, higher level when the situation returns to normal. Five-star establishments charging less than 3,000 baht per night will be able to survive the current slump in tourist arrivals, he believes, reasoning that people are always willing to shell out what they consider a bargain price to stay at high-end properties.

So how has Solitaire been faring thus far?

Well, we're hoping that the Arab market will be as buoyant as it was last year, so I've pinned my hopes on October, when the high season starts. This month we've experienced a 20 to 25 per cent drop. That's a lot, if you consider the fact that we have [only] 134 rooms.

The best way to end the price war, in my opinion, is by having the government regulate room rates so that there's fair competition. Hotels could also do with government-tax cuts.

Five-star chain hotels have been selling their rooms for as little as 1,500 baht per night! Properties located in the heart of the city are running with a room-occupancy rate of just 17 per cent! So you can imagine the amount of pressure hotels are currently under to survive this crisis, which I believe will continue to prevail if the political situation continues to spiral out of control. However, I'm confident in the current premier's leadership. For Solitaire, we're looking to lower our room prices by about 500 to 600 baht to retain our clientele. Our cheapest room starts at 3,000 baht per night.

Do you feel there's been an increase in tourist confidence since the government began reassuring the world that Thailand is still a safe destination?

It's [the official government PR campaign] definitely helped, but I hope to see the pace pick up momentum. I suppose it's difficult for the world to forget the horrific front-page photos of burning buses and riots taking place right smack in the middle of Bangkok which was long believed to be one of the safest places to visit. Tourist confidence can only come back when there is true peace. If there are fears of further riots, we're in for a long wait.

Prior to joining the President Park Group, you were employed at several international hotel chains. Was it difficult for you to get accustomed to working for what is basically a family-run business?

I didn't have to get accustomed to anything because the management here is a thoroughly professional one! They've been supportive of my decisions and there's a mutual respect.

What has close to 23 years' experience in the hotel business taught you about this profession?

For one thing, you need to be passionate about your work to survive for this length of time! The long working hours and the need for attention to detail can be both physically and emotional draining, so it's imperative to be a person who is naturally service-minded. Hotel guests come from all personality types, so one has to be a good listener and to have common sense in order to keep them all happy. It is service rendered *from the heart* that works wonders in a sticky situation one might find oneself in with a guest.

On a lighter note, could you tell us a little about your role as chairman of the Soi 11 Association?

For those who haven't heard about us, the Soi 11 Association, which consists of members from the hotels, serviced apartments, restaurants and entertainment outlets on [Sukhumvit] Soi 11, is a body of like-minded entrepreneurs who desire to develop this particular lane into a quality destination in itself by offering good service, a healthy environment and a one-stop facility whereby patrons can enjoy better value for their money and the greatest possible convenience. The idea is to have a larger and united voice in communicating with government agencies when the need arises.

You apparently have a passion for travel; when you set out on an excursion, are you hoping to accomplish anything in particular?

I travel with a purpose: To understand and appreciate the different types of cultures, traditions and beliefs in our world. Vacation time means escaping the concrete jungle and getting close to nature. I shun touristy areas and often opt for backwater destinations which are more rustic and memorable. Travelling in Thailand has been wonderful! I was really impressed with the long-neck tribe [the Padaung, or Kayan, people, whose women encase their necks in brass coils] in northern Thailand. In fact, travelling is a passion that I share with my entire family; we try to vacation at least twice a year whenever it's possible.