

Tourism Analytics Case Study - Thailand

Data Analyst Course
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Thailand Tourism Overview



Thailand ranks among the world's **top 10 tourist destinations**



Tourism forms **12–15% of Thailand's GDP**, driven by hospitality, leisure, and medical services
(GDP=Gross Domestic Product)



Thailand attracts not only beach and party tourists but also **visitors seeking wellness, yoga, and culinary**

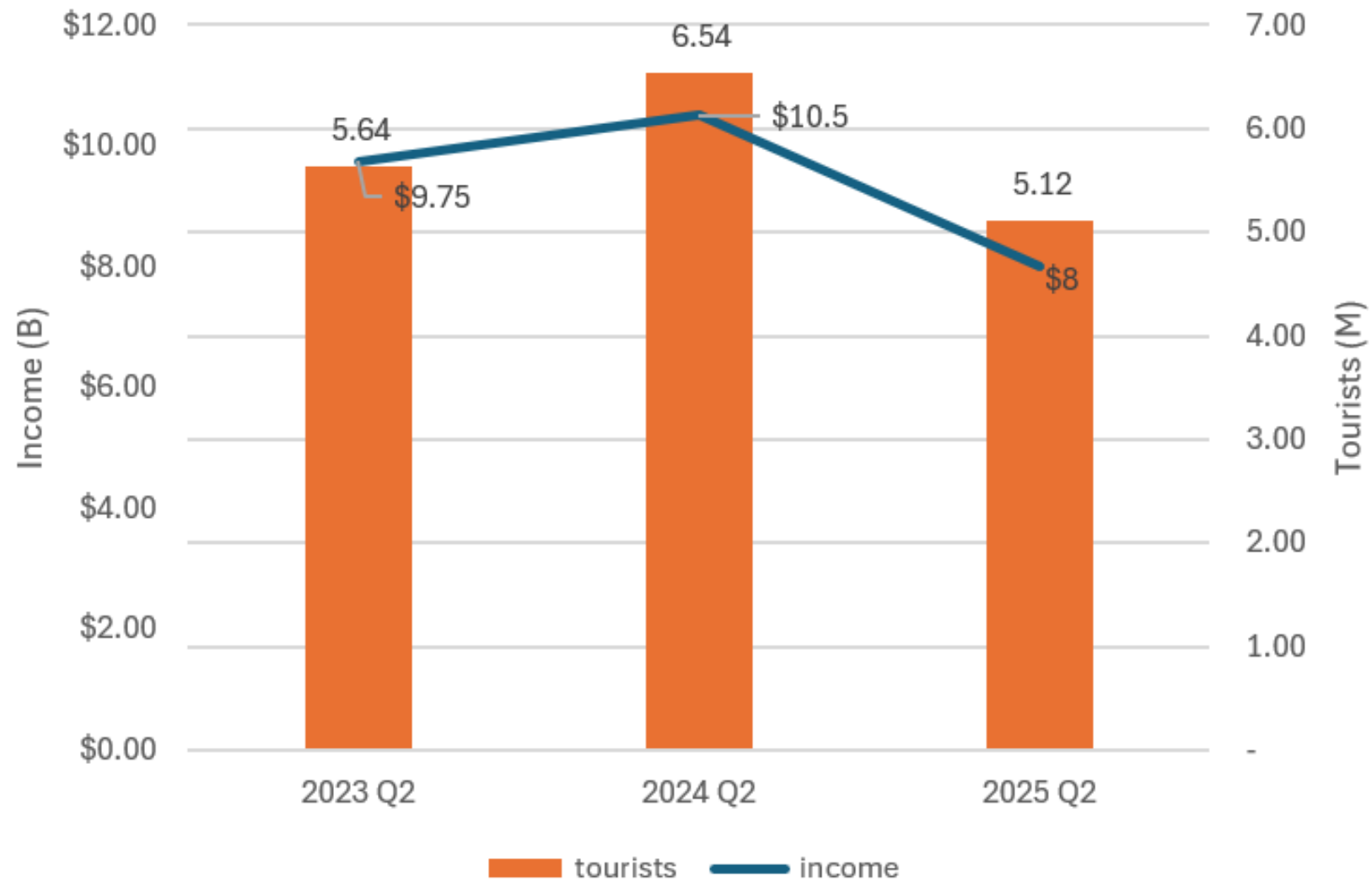
Tourist arrivals **declined** in 2025

- Tourist arrivals **dropped** dramatically by about **40%**.
- Average total spending per tourist: **\$1,650.**



Drop in Tourist Arrivals and Revenue

A year-over-year decline in Q2 2025: revenues fell 23.8% and tourist arrivals decreased 21.7%



Major Security Events

Five killed in Bangkok market mass shooting

28 July 2025



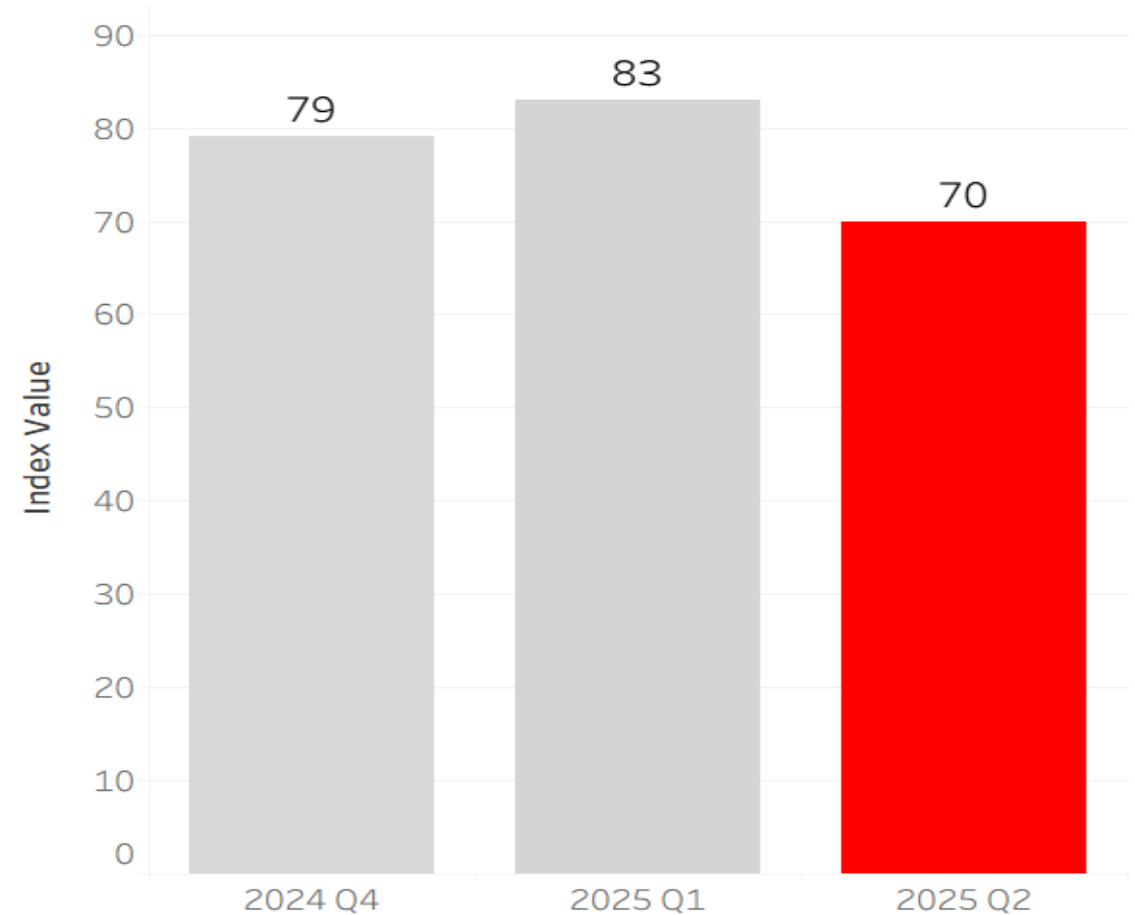
heavy fighting broke out along the Thailand-Cambodia border, the most intense in over a decade.



Potential Causes

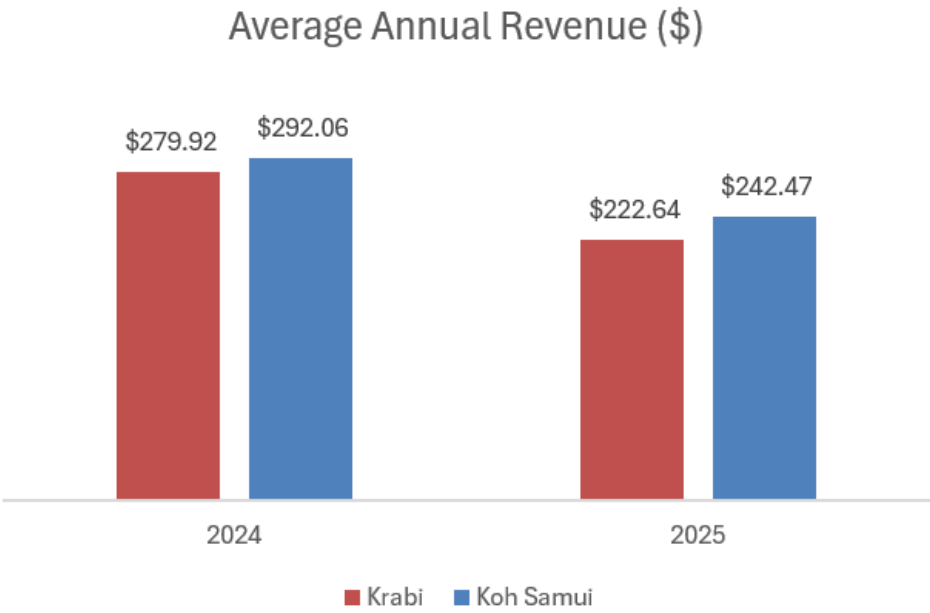
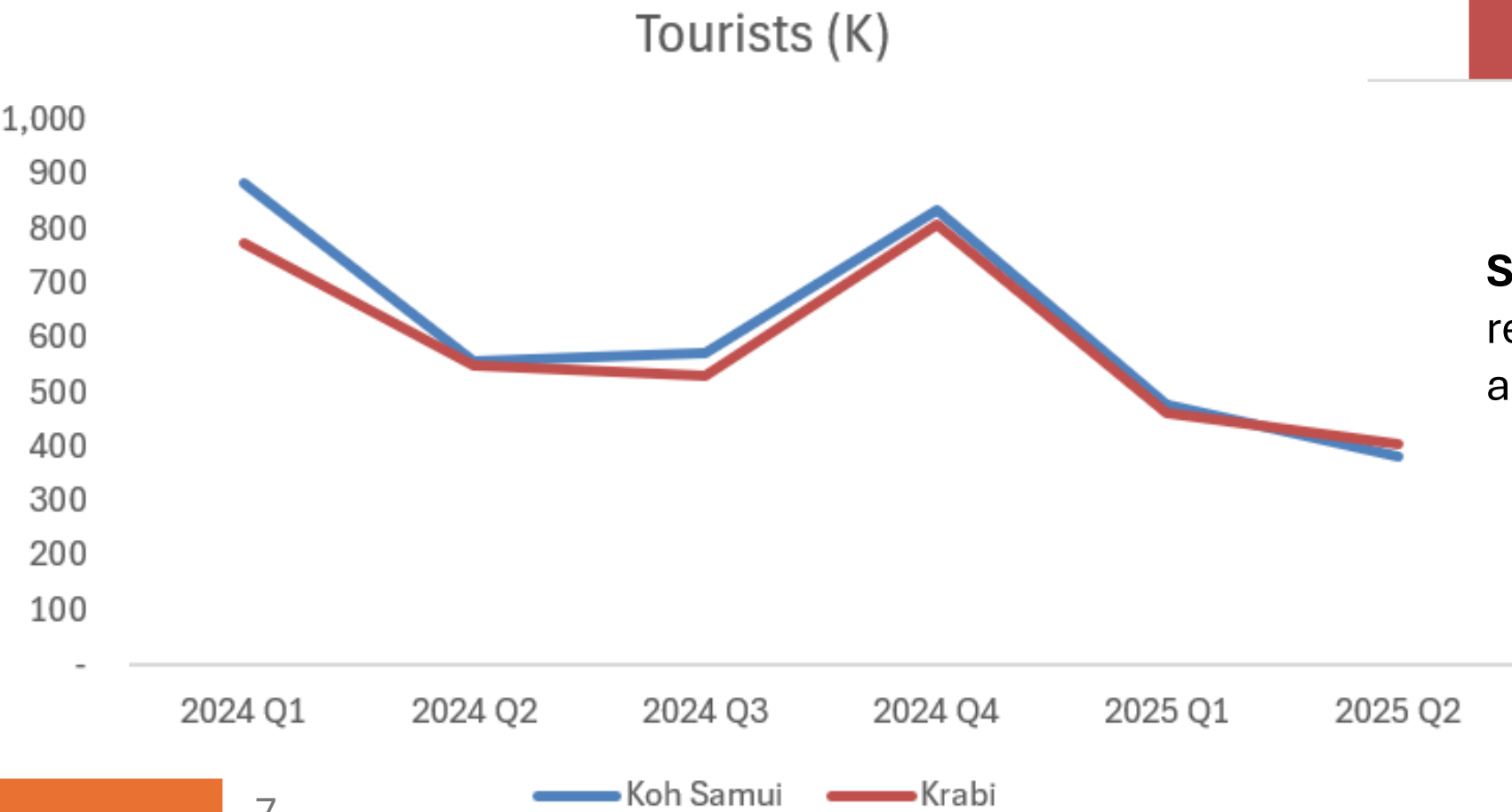
- The decline was driven by **reduced tourist safety** perception after violent incidents.
- Checked and Ruled Out Increase in flight and hotel prices

Tourism Confidence Index



Thailand, Southeast Asia's second-largest economy, saw its **tourism confidence index drop sharply in the second quarter** amid safety concerns and a decline in foreign arrivals.

Revenue and Tourists in Koh Samui Vs Krabi



Strong correlation:
revenue and tourist numbers
are nearly equal.

Business Hypothesis

- Can **greater feelings of safety** make Thailand a more attractive destination?
- Our goal is to **increase tourist arrivals and maximize revenue** from the tourism industry.

A/B Test

Control Group – Tourists in Koh Samui

Test Group - Tourists in Krabi with:

- **Discounts** on selected hotels to encourage travel to the country,
- **Free airport shuttles** to boost tourist confidence
- Duration- 3 months (Q3 2025)



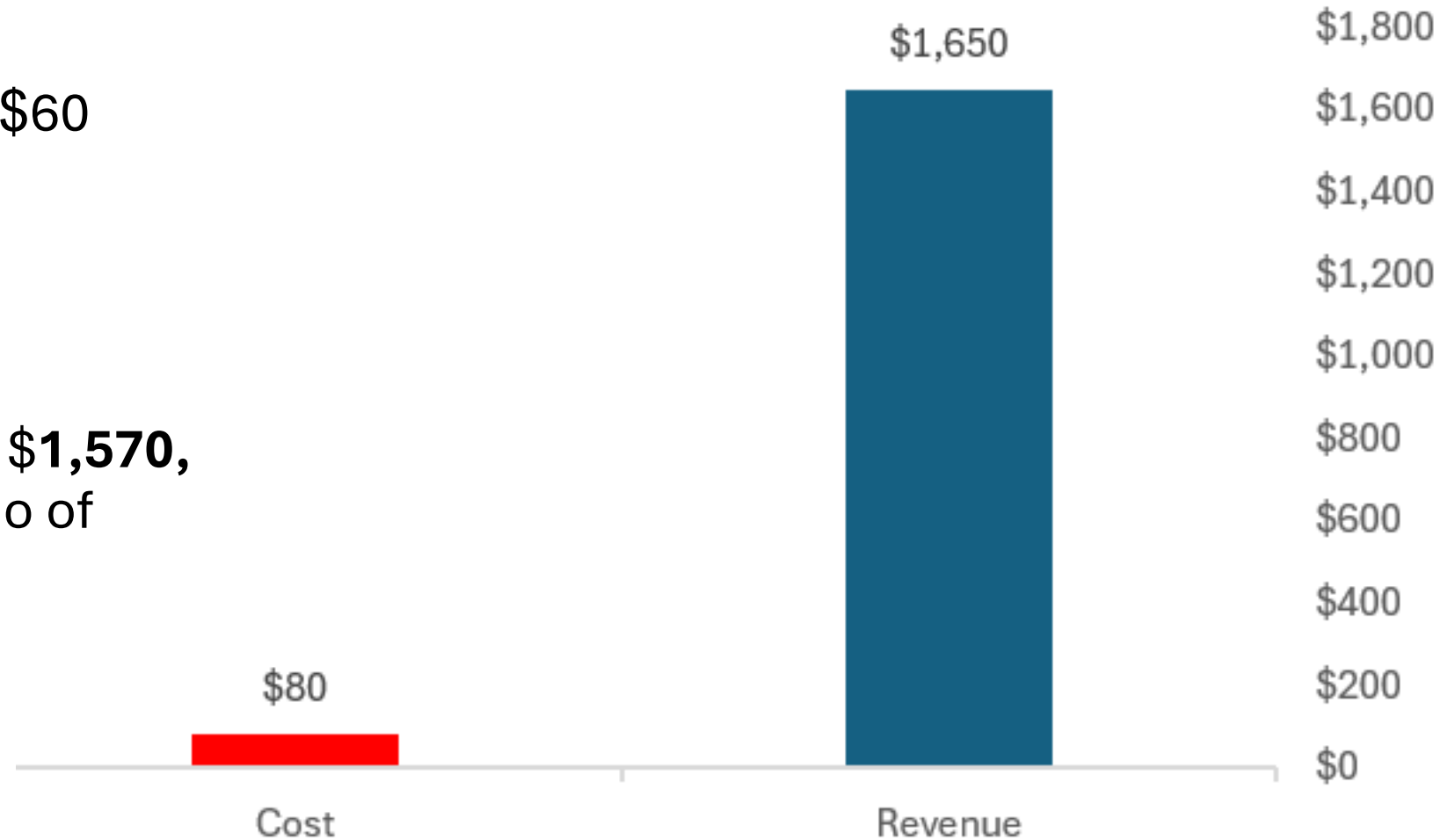
Trade Off

Cost per tourist- \$80

- Discount in hotels up to \$60
- Free shuttle up to \$20

The **net profit** per tourist is **\$1,570**, with a **cost-to-revenue** ratio of 4.84%.

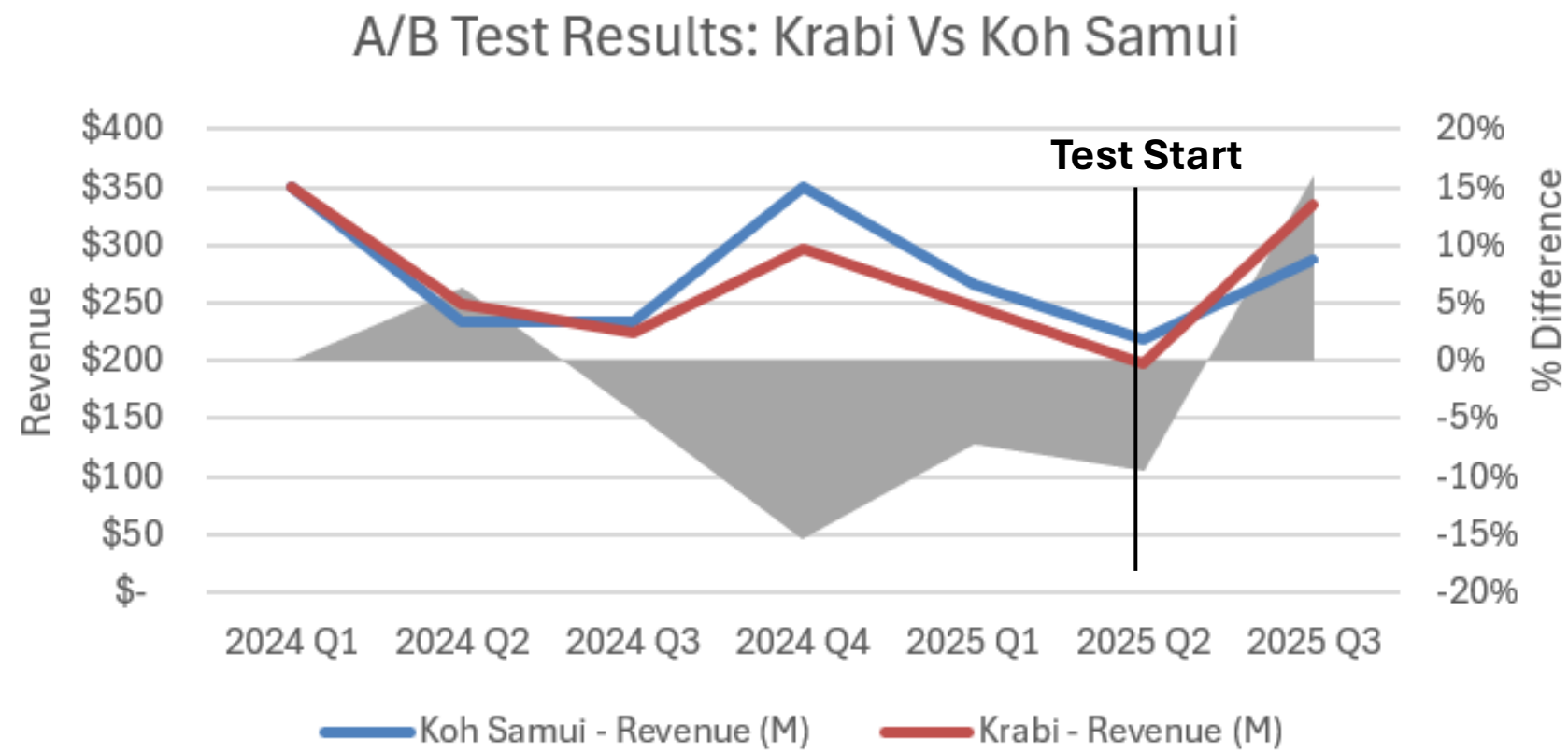
Cost vs Revenue per Tourist



Successful Results! Strong Growth in Revenue

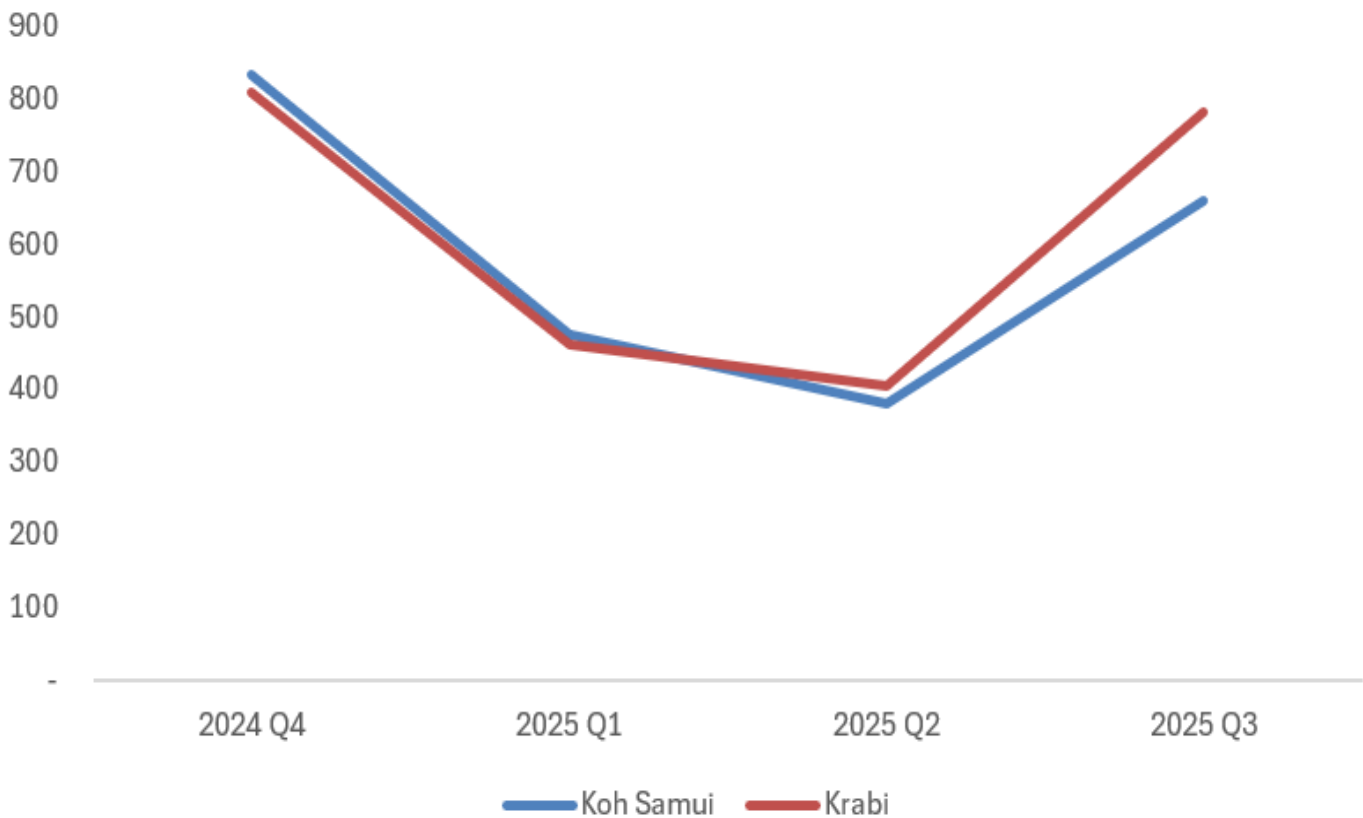
Krabi shifted from a negative gap vs **Koh Samui** to a **solid +15% lead** after the test.

The test generated an **additional \$46M in revenue**.

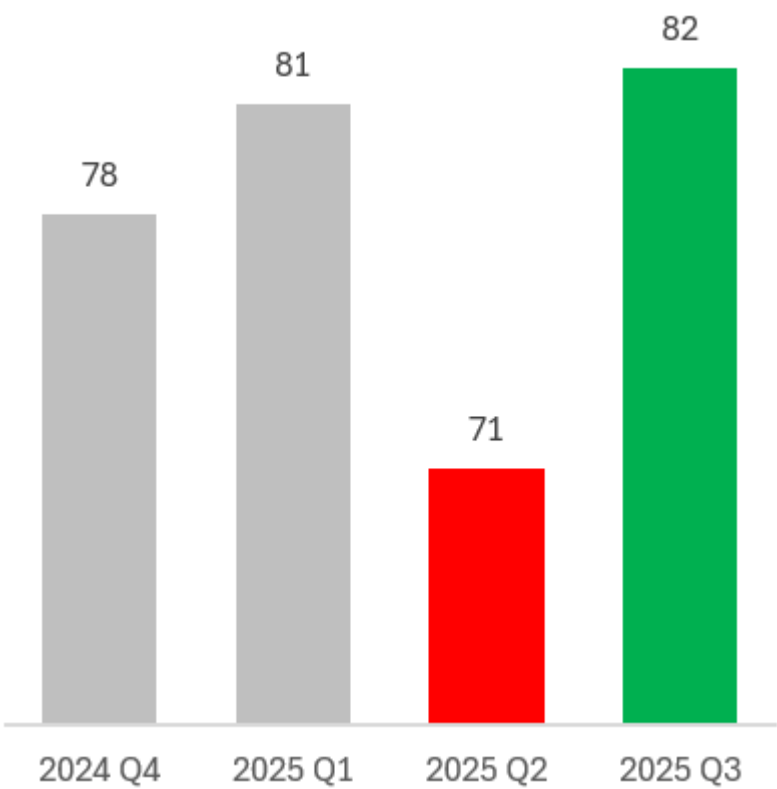


Did the test improve the Tourist Arrivals and Tourism Confidence Index?

Krabi recorded an **18% higher increase** in tourist arrivals compared to **Koh Samui**



The Index in Krabi **increased** from 71 to 82 after the test by **~15% rise**



Conclusions & Recommendations



- **The A/B test was successful**
 - Tourism Confidence Index in Krabi **increased by ~15%**
 - **\$46M in extra revenue**
 - **An 18% rise** in tourist arrivals
 - **Total cost: \$2.2M (≈5%)**
- **Extend the test** to more popular and profitable tourist destinations to capture maximum profits during Thailand's peak tourism season.
Use the cost-to-revenue ratio of ~4.8% to guide future initiatives.
- Explore if growth comes from specific segments (families/couples) to customize offers and maximize profits.