

Adapting Airline Marketing Strategies in Thailand: The Era of AI Technology

Waraphon Klinsreesuk¹, Bhassakorn Chanpayom^{1*}, Krit Witthawassamrankul¹

¹Aviation Personnel Development Institute, Kasem Bundit University, Thailand

* Corresponding Author: Chanpayom@yahoo.com

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ABSTRACT

Introduction: The airline industry in Thailand is profoundly impacted by the integration of Artificial Intelligence (AI) technology, enhancing operational efficiencies and customer engagement. This study examines the implications of AI for business strategies, adaptation theories, and marketing practices within the sector.

Objectives: This research aims to identify essential concepts for effective business strategies in the context of AI and develop guidelines for airlines adapting to AI technology.

Methods: Structured interviews were conducted with ten key stakeholders, including directors from major carriers and government officials, to gather insights on the strategic incorporation of AI technologies.

Results: Successful AI integration depends on forming strategic partnerships, leveraging advanced data analytics, and prioritizing employee training. Stakeholders highlighted that technological collaboration improves customer access and operational flexibility. Ethical considerations regarding data usage are crucial for building trust.

Conclusions: Adapting to AI technology integration is vital for Thailand's airline industry. By fostering partnerships, adopting data-driven strategies, and adhering to ethical practices, airlines can enhance operational effectiveness and customer satisfaction. Implementing these guidelines will help airlines thrive in a competitive market, ensuring future growth and innovation in service delivery.

Keywords: Adapting Airline, Marketing Strategies, AI Technology, Airline in Thailand

INTRODUCTION

The aviation industry in Thailand plays a pivotal role in the economy, driven by tourism and trade [1]. The competitive landscape for airlines is evolving, with the advent of artificial intelligence (AI) technology presenting both opportunities and challenges in marketing strategies. This introduction examines how AI is reshaping airline marketing in Thailand, emphasizing the importance of strategic adaptation for stakeholders. AI technologies have revolutionized operational efficiencies, customer experiences, and decision-making [2], necessitating a shift from traditional marketing tactics to data-driven strategies. By integrating AI into their marketing, airlines can analyze big data, predict consumer behavior, and personalize offerings, fostering deeper customer engagement [3]. As Thailand's tourism rebounds and international travel restrictions ease, airlines leverage AI-enhanced marketing techniques to capture market share. This technological advancement requires innovative strategies that align with evolving consumer expectations influenced by digital interactions [4]. AI also allows for more effective market segmentation, enabling tailored messaging that resonates with specific demographics.

The COVID-19 pandemic has accelerated the need for airlines to adapt their marketing strategies [5]. Shifts in consumer behavior and heightened health concerns demand that airlines rethink their value propositions. AI can help communicate real-time health updates and personalized travel recommendations, fostering trust and loyalty among travelers [6]. Moreover, in a competitive landscape that includes both established carriers and emerging low-cost airlines, differentiation through targeted marketing is essential. AI enables airlines to optimize pricing strategies and improve customer acquisition via personalized advertising, adjusting campaigns in real time for greater

effectiveness [7]. An increase in online travel agencies and ancillary service providers has intensified competition, prompting airlines to enhance customer experiences through seamless booking, interactive chatbots, and tailored recommendations. Delivering exceptional user experiences builds brand loyalty and retention [8]. Airlines must also address ethical implications of data usage, safeguarding consumer privacy and ensuring transparency in data handling practices to maintain trust. This transformative shift requires a cultural change within organizations, emphasizing a data-driven mindset across operations and fostering collaboration among marketing, IT, and customer service. Employee training to enhance digital literacy and AI tool utilization will be essential for success [9]. Ultimately, the future of airline marketing in Thailand hinges on effectively integrating AI technology to enhance customer experiences and optimize operational performance, enabling airlines to adapt and thrive in a competitive market., the research questions are as follows: 1) For the airline business in Thailand, what should the concepts of business strategy, adaptation theories, and strategic management look like in the context of AI technology?

2) What guidelines should be established for adapting to the integration of AI technology in the airline industry?

In conclusion, as airlines in Thailand navigate the complexities of the post-pandemic landscape, the adoption of AI technology in marketing strategies will be paramount. Airlines that respond proactively to these changes are likely to thrive, capitalizing on the opportunities presented by AI. The journey of adapting to this new era is not just about embracing technology, but about reimagining the entire customer engagement model, ensuring that airlines remain at the forefront of the industry while delivering exceptional value to their customers. Through innovation, collaboration, and a steadfast commitment to customer satisfaction, the Thai airline industry can redefine its marketing strategies for a future that promises to be driven by AI technology.

LITERATURE REVIEW

1. Marketing Strategy

A marketing strategy is a comprehensive plan developed by a company to achieve specific business goals through effective targeting, positioning, and marketing actions. It outlines how a business interacts with its target market [10] and differentiates itself from competitors. A solid marketing plan relies on understanding the market environment, consumer needs, and the company's unique capabilities. Key elements include segmentation, targeting, positioning, and the marketing mix (the 4Ps: Product, Price, Place, and Promotion). Effective marketing plans start with market research and analysis. Companies must evaluate their competitive landscape, identify opportunities and risks, and understand customer behavior [11]. Segmentation allows businesses to categorize the market based on shared characteristics, leading to customized products and messages. Positioning is vital for shaping public perception of a brand against its rivals, and a clear positioning statement helps guide marketing communications [12]. The four Ps of the marketing mix include the product's design, quality, and features; pricing policies that indicate value; distribution techniques for accessibility; and promotion efforts, such as advertising and public relations. Businesses must remain adaptable to changes in consumer behavior and technology. The rise of artificial intelligence (AI) and data analytics has transformed marketing strategies, enabling personalized campaigns and better customer interactions. Ethical considerations, such as compliance with the General Data Protection Regulation (GDPR), are crucial for building consumer trust [13]. Measuring marketing plan effectiveness is essential. Companies should establish key performance indicators (KPIs) to assess their efforts against stated objectives, facilitating data-driven improvements. By focusing on these components, businesses can create strong and effective marketing strategies tailored to their goals [14].

2. Bussiness Airlines in Thailand

Thai aviation is a vital sector that significantly contributes to the national GDP, driven by trade and travel due to Thailand's strategic location in Southeast Asia. The industry has rapidly evolved, featuring various low-cost carriers operating domestically and internationally [15]. Thai Airways, the national airline, has played a crucial role in establishing Thailand as a top vacation destination, especially during challenges like the COVID-19 pandemic, while showcasing Thai hospitality and culture [16]. In addition to Thai Airways, low-cost carriers such as AirAsia and Nok Air have emerged, making air travel more accessible and appealing to a broader audience with competitive pricing and innovative marketing. The Thai government recognizes the aviation sector's significance in boosting tourism,

exemplified by initiatives like "Amazing Thailand" to attract foreign visitors, thus increasing demand for air travel. Upgrades in airport infrastructure, including new terminals and the expansion of Suvarnabhumi Airport, have enhanced capacity and safety, facilitating better services. However, the industry faces challenges including shifting consumer preferences, economic uncertainty, and heightened competition. The pandemic severely impacted global air travel [17], leading to unprecedented operational disruptions and financial strain for airlines. As the world recovers, Thai aviation is adapting to new consumer expectations by prioritizing safety, flexibility, and improved travel experiences. Technological advancements are transforming the industry, with airlines increasingly adopting online booking systems and chatbots for enhanced customer service [18]. Additionally, big data and artificial intelligence are being utilized to streamline operations, personalize customer experiences, and innovate marketing strategies. Sustainability is becoming a focus as airlines explore ways to reduce their environmental impact, such as carbon offsets.

3. Technology AI

Artificial intelligence (AI) is increasingly transforming the aviation industry by enhancing operational efficiency, customer experiences, and innovation [3]. By integrating AI technologies, airlines can streamline processes, predict customer behavior, and offer personalized services, improving their competitiveness in a rapidly evolving market. Applications of AI in airlines include data analytics and machine learning [4]. Airlines collect vast amounts of data from operations, customer feedback, and bookings. Through machine learning, carriers can analyze this data to identify trends, forecast demand, and optimize pricing strategies. For example, AI can predict future demand for routes, enabling airlines to adjust capacity and prices dynamically. AI-driven virtual assistants and chatbots are also transforming customer service by managing bookings, responding to inquiries, and providing real-time assistance, significantly enhancing the customer experience [5]. Using natural language processing (NLP), these systems engage with customers conversationally, reducing support waiting times. This automation allows human agents to focus on complex issues. Additionally, predictive maintenance powered by AI enhances operational efficiency and flight safety. By analyzing data from aircraft systems, airlines can anticipate maintenance needs before issues arise [7], thereby minimizing downtime and costs while improving safety. AI also plays a vital role in personalizing the passenger experience, allowing airlines to tailor offers based on individual travel preferences. By analyzing customer data, airlines can recommend customized itineraries, meals, and upgrades, boosting satisfaction and loyalty. The integration of AI with technologies like Big Data and Cloud Computing is promising [9]. AI systems can share information about trends across networks, enabling swift adjustments to market changes. However, the adoption of AI in aviation faces challenges, particularly around data security and customer privacy. Establishing customer trust in AI-driven services requires adherence to regulations and careful handling of personal data. AI is revolutionizing the airline industry by improving operations [18], enhancing customer service, and personalizing experiences. As airlines continue to embrace AI technologies, they will be better equipped to adapt to market changes, optimize their operations, and meet evolving passenger expectations. The future of aviation appears promising as AI advances efficiency and customer satisfaction [19].

METHODS

This study employed structured interviews with important stakeholders in the Thai airline sector to examine their opinions on business strategy, adaption theory, and strategic management about the incorporation of artificial intelligence (AI) technology. The participants were the Director of the Civil Aviation Authority of Thailand, two managers from the Ministry of Transport, four executives from different airlines, four lecturers from aviation institutions, and two scholars specializing in airline management and marketing, resulting in a total of ten interviewees. Ethical approval, designated by Ethical Approval Number TO27/66P, was secured from Kasembundit University to guarantee compliance with ethical norms and safeguard participants' rights and confidentiality. The interviews spanned roughly one month from 2023 to 2024. In-person interviews were carried out at the respondents' locations to enhance convenience and foster trust. Each interview was meticulously scheduled to last between 20 and 40 minutes, facilitating effective data collection while minimally interrupting participants' schedules. Multilingual interviews were employed to guarantee the precision and uniformity of the inquiries posed, mitigating any possible language obstacles. The interviews concentrated on two primary inquiries: 1) the notion of business strategy, adaption theory, and the appropriate framework for strategic management concerning AI technology inside

Thailand's aviation sector. What strategies should be implemented to accommodate the integration of AI technologies in the airline industry? This methodical approach offers a thorough comprehension of the strategic influence of AI on the Thai aviation industry, facilitating the formulation of practical measures for optimal adaptation.

RESULTS

1) Concepts of Business Strategy, Adaptation Theories, and Strategic Management in the Context of AI Technology

In Thailand's rapidly evolving airline industry, the integration of Artificial Intelligence (AI) is crucial for shaping business strategies and adaptation theories. Key stakeholders emphasize the need for a multifaceted approach where technological advancements influence operational efficiency, customer engagement, and market reach. The Director of Commercial at Thai Airways highlighted forming diverse business partnerships as central to strategy, collaborating with other airlines and businesses like shopping malls to enhance customer access. Recent partnerships with Turkish Airlines showcase AI's role in optimizing route management and improving connectivity. Adaptation theories emphasize strategic flexibility, as airlines must pivot in response to technological innovations. The Director of Innovation and Technology at Thai AirAsia noted that airlines need adaptable marketing strategies that reflect modern customer behaviors. By leveraging AI-driven analytics, they can gain insights into preferences for tailored marketing. Expanding brand awareness is also essential; the Director of Commercial at Nok Air mentioned the need to increase international presence by utilizing social media influencers and collaborating with organizations like the Tourism Authority of Thailand. AI can help by analyzing market trends to identify effective partnership opportunities. AI technology also streamlines codeshare agreements, allowing airlines to efficiently connect passengers to various flights, enhancing operational flexibility and service offerings.

2) Guidelines for Adapting to the Integration of AI Technology in the Airline Industry ?

To adapt to AI integration, the Thai airline industry should establish guidelines focusing on strategic partnerships, investments in technology, employee training, and ethical considerations. First, creating strategic partnerships is vital for expanding operational capabilities and customer access. Codeshare agreements provide additional route options without adding new operations, enhancing market reach and service delivery. Second, airlines must invest in AI-driven data analytics tools to analyze customer data effectively. This enables tailored marketing strategies that target specific demographics, improving engagement and conversion rates. Personalized services foster customer loyalty and provide a competitive advantage. Continuous training for staff is crucial, equipping employees with the skills to effectively use AI tools. A knowledgeable workforce enhances service quality by better addressing customer demands. Lastly, airlines must prioritize ethical considerations, ensuring compliance with data protection regulations to maintain customer trust. Transparency regarding data usage is essential. Following protocols like GDPR safeguards customer data and promotes ethical AI deployment. Overall, while AI presents opportunities for innovation and improved efficiency, airlines must continuously evaluate their strategies in response to technological advancements and market dynamics.

DISCUSSION

The integration of Artificial Intelligence (AI) technology in Thailand's airline industry presents both opportunities and challenges that require careful consideration [20]. Stakeholders recognize the need to leverage AI for enhancing operational efficiency [21], improving customer engagement, and expanding market reach. This discussion focuses on the importance of strategic partnerships, advanced data analytics, employee training, and ethical considerations in adapting to AI technology [22]. One critical insight from interviews is the role of strategic partnerships in the industry. Collaborations within the airline sector and with various businesses, such as shopping malls and tourism organizations, create synergistic opportunities that enhance service offerings and customer access. These alliances can lead to innovative marketing initiatives and resource sharing, allowing airlines to better navigate competitive pressures. As noted by the Director of Commercial at Thai Airways, such partnerships improve operational fluidity and create a more adaptable service network [23]. The necessity of AI-driven data analytics tools was another key finding. Analyzing customer data allows airlines to tailor marketing strategies effectively, improving customer

engagement [24]. This approach aligns with adaptive management principles, enabling airlines to quickly respond to changes in consumer behavior and preferences [25]. Utilizing AI tools helps identify emerging trends, fostering personalized experiences that enhance customer loyalty. As competition for market share intensifies, effective data utilization will be a defining factor in success [26]. Ongoing employee training and upskilling are essential for integrating AI technology into operations. Findings highlight the importance of workforce development to ensure staff can effectively use AI tools [27]. A knowledgeable workforce enhances customer interactions and fosters a culture of innovation, making airlines better equipped to meet the demands of tech-savvy consumers [24]. Finally, ethical considerations around customer data are vital for building trust. Compliance with data protection regulations like GDPR is crucial for responsible data handling. Transparency in data usage fosters consumer confidence, ensuring passengers feel secure about their personal information. Ethical deployment of AI requires fairness and accountability to avoid biases and ensure equitable outcomes. As reliance on data-driven technologies grows, prioritizing ethical practices will be essential for maintaining trust and loyalty in a competitive market.

CONCLUSIONS

Incorporating artificial intelligence technologies will help Thailand's aviation sector improve operational efficiency, customer interaction, and strategic decision making. Airlines have to give strategic alliances, AI-driven data analytics top priority, staff training top priority in order to optimize artificial intelligence. This will improve service offers and widen the market. To satisfy customer needs, artificial intelligence systems must be constantly developing staff. Data use depends on ethical concerns, hence airlines have to follow data security guidelines and observe moral standards. In a complicated market, this will enable the sector to adapt and grow properly.

CONFLICT OF INTEREST

The author declares no conflict of interest.

AUTHOR CONTRIBUTIONS

Conceptualization, W.K. and B.C.; methodology, W.K., B.C., and K.W.; formal analysis, W.K., and B.C.; investigation, W.K.; writing review and editing, W.K., B.C and K.W.; visualization, W.K.; funding acquisition, W.K. All authors have read and agreed to the published version of the manuscript. And E-mail; g636102805174@kbu.ac.th (W.K.) ; Chanpayom@yahoo.com (B.C.) ; Krit.wit@kbu.ac.th (K.W.)

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