

The Cost of Not Choosing

Thailand's Tourism System and the
Value It Is Leaving Behind

Thailand is not losing to its competitors.
It is competing in too many games at once
without choosing which one to win.

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This paper is published by CMBN Media, the editorial arm of the Chiang Mai Business Network. It draws on publicly available regional tourism data and structural analysis of ASEAN visitor economy performance.

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SECTION ONE

The Wrong Competition

Over the past several years, one question has become almost instinctive in Thailand's tourism discourse: who is Thailand competing with in ASEAN? It sounds like a reasonable question. The data suggests something more uncomfortable.

Thailand may not actually be losing to anyone. It may simply be playing too many games at once, without ever choosing which one to win.

Thailand is not competing with every country in ASEAN. It is competing in specific arenas, against very different economic models. The more important question is not who Thailand competes with, but what games Thailand is playing — often without realising it.

In the Asian volume battlefield, Thailand competes directly with Vietnam: a system optimised for scale, speed, and regional demand capture, backed by increasingly aligned policy and infrastructure.

In the wellness and identity-driven travel space, Thailand is not competing with Indonesia as a whole, but with Bali specifically. Bali operates on an entirely different logic, where value is derived not from place alone, but from the version of self the destination allows visitors to become.

Singapore is not a competitor in the conventional sense. It engineers demand and maximises value per visitor in compressed timeframes. Thailand has not meaningfully entered this game. Indonesia at the national level serves instead as a structural contrast, particularly in the strength of its domestic market, which stabilises the entire system in ways Thailand cannot replicate.

Thailand is stretched across multiple games. Scale. Value. Identity. And it is winning none of them decisively. That may be the real challenge — not a lack of assets, but a lack of choice.

SECTION TWO

Where Thailand Competes

Once the playing fields are separated, Thailand's position becomes much clearer — and far less comfortable. Thailand is not competing in a single market. It is being pulled into multiple arenas, each governed by a different economic logic.

The volume battlefield

In the Asian volume battlefield, Thailand competes directly with Vietnam. This is not simply a competition of numbers. It is a competition of structural speed. Vietnam is built to scale. Visa policy, aviation capacity, infrastructure expansion, and regional demand capture from Chinese and Korean travellers all move in the same direction, deliberately. Thailand is still trying to recover volume. Vietnam is redefining what scale looks like. Thailand is still in the game, but it is playing a slower one.

Identity logic versus hospitality logic

In the wellness and identity-driven travel space, the competitor is no longer a country but Bali. The difference is not supply. Thailand has everything required: wellness, culture, cuisine, nature, and decades of hospitality expertise. But these assets are still operated within a hospitality logic: we make you feel good. Bali operates on an identity logic: we help you become someone.

That distinction is not semantic. It is economic. Thailand sells experiences that are good. Bali sells experiences that are meaningful. Meaning commands a very different willingness to pay.

The Singapore model

Singapore is not a competitor in any conventional sense. Where Thailand accumulates value over time, Singapore compresses value into moments. It does not wait for tourists to spend. It engineers the conditions under which they must. This is not a model Thailand is losing to. It is a model Thailand has not chosen to enter.

Thailand is present in multiple games — scale, value, identity — but has not committed to winning any of them decisively. This is not a story of losing. It is a story of not choosing. And in a region where each country is becoming more deliberate about what it wants to be, not choosing may be the most expensive position of all.

SECTION THREE

What Thailand Has — But Does Not Use

Thailand does not lack the ingredients of a high-value tourism economy. In many cases, it has more than its competitors. What it lacks is not assets. It is the system that turns those assets into advantage.

Thailand has a mature wellness infrastructure, globally recognised cuisine, deep cultural capital, diverse natural landscapes, and a hospitality sector refined over decades. But assets by themselves do not generate value. Systems do. And Thailand's system is not designed to extract maximum value from what it already has. It is designed to absorb volume.

The long-stay paradox

This misalignment becomes most visible in Thailand's average visitor duration. Visitors stay longer than almost anywhere else in ASEAN. Ten days is not an exception; it is the baseline. On paper, this is a structural advantage. More time in-country should mean more value.

In practice, it does not — because those additional days are not monetised as premium time. They are consumed as affordable time. Thailand has built a system where staying longer does not require spending more per day. The result is a model that accumulates revenue slowly, rather than extracting it deliberately. Time is abundant. Value is not.

~10 days

AVERAGE VISITOR STAY

3x

ARRIVALS GROWTH VS GLOBAL AVG

Flat

REVENUE PER VISITOR TREND

Key metrics, 2010–2019 baseline period.

A decade of evidence

Between 2010 and 2019, tourist arrivals grew at nearly three times the global average. Revenue per visitor barely moved. More tourists came, but each one was worth less. This was not a temporary imbalance. It was a repeated pattern. When a pattern persists over a decade, it is no longer an anomaly. It is design.

Thailand did not accidentally become a volume-driven system. It optimised for that outcome, repeatedly. The issue is not that Thailand has been unable to move up the value chain. It is that the system has never been structured to do so. Thailand is not under-equipped. It is under-aligned.

SECTION FOUR

The Structural Problem

If Thailand's challenge were simply a lack of infrastructure, investment, or tourism assets, the solution would be straightforward: build more, promote more, attract more. The evidence suggests a different problem entirely. Thailand's tourism system is producing exactly the outcomes it was designed to produce. That is what makes the challenge structural rather than operational.

What you measure defines what you build

Every tourism system ultimately optimises for its chosen metrics. If success is measured by visitor arrivals, the system will be designed to maximise arrivals. For decades, Thailand's most visible tourism KPI has been volume. Headlines celebrate arrival numbers. Recovery is measured by arrival numbers. Success is announced through arrival numbers.

What gets measured attracts attention. What attracts attention attracts resources. What attracts resources becomes the priority of the system. The result is a tourism architecture that has become exceptionally good at bringing people in, and less focused on capturing value once they arrive.

The incentive misalignment

Thailand's stated ambition increasingly revolves around quality tourism, wellness, long-stay visitors, and higher-value segments. Yet many of the incentives embedded within the system continue to reward volume. Visa policies are evaluated by their impact on arrivals. Marketing campaigns are judged by reach and visitor numbers. Businesses compete aggressively on price because the market continues to reward occupancy more than yield.

The system speaks the language of value. It behaves according to the logic of volume. This is not a contradiction of intention. It is a contradiction of incentives. And incentives are generally more powerful than strategy.

The high-value tourist paradox

Thailand's highest-value tourists are not missing. They are already here. European long-haul travellers, wellness visitors, premium leisure segments, and long-stay travellers already generate a disproportionately large share of tourism revenue relative to their numbers. In some cases, a small fraction of arrivals contributes a remarkably large share of total spending.

Yet these are not the segments around which the system is primarily organised. Value emerges within the system almost by accident rather than by design. Thailand does not lack high-value tourists. It lacks a system designed around them.

SECTION FIVE

The Real Constraint

Thailand's tourism challenge is not a collection of pain points. Not enough high-value tourists. Not enough premium products. Not enough wellness positioning. Not enough spending per visitor. These are symptoms. The real constraint is system design.

Thailand is performing exactly as its system is designed to. For years, Thailand has described itself as a high-value tourism destination while operating with a volume-based tourism system. It wants premium outcomes from mass-market incentives. It wants higher yield while rewarding arrivals. It wants wellness, sustainability, and quality tourism while continuing to rely on policies that maximise accessibility, price competition, and short-term volume recovery.

This is not a strategy gap. It is a design contradiction. Thailand is not failing because it lacks ambition. It is struggling because its ambition and its operating system are moving in different directions.

A system critique, not a pain-point audit

Pain points imply that the system is fundamentally correct but temporarily blocked. A system critique asks a harder question: what if the system is not blocked? What if it is working? What if the current outcomes are not deviations from the model, but the model itself?

The system brings people in. It fills rooms. It supports employment. It sustains activity across the country. But it does not consistently convert Thailand's strongest assets into higher value per visitor. That is not underperformance. That is performance by design. Incremental fixes will not change it. A new campaign will not solve a KPI problem. A new slogan will not solve incentive misalignment.

Strong assets, weak monetisation. Long stays, modest yield. High-value visitors, low strategic priority. Premium ambition, volume logic. Thailand does not need to ask whether it has enough to win. It needs to ask what kind of winning its system is designed to recognise.

SECTION SIX

The Choice Thailand Can No Longer Avoid

Thailand does not face a lack of opportunity. It faces a lack of choice. For over a decade, the system has been optimised for volume, and it has delivered exactly that: more arrivals, more activity, more people moving through the system. Not proportionately more value. That is the trade-off Thailand has been living with.

If Thailand continues to pursue volume, it must accept what comes with it: lower yield, stronger price competition, pressure on destinations, and a tourism economy that remains dependent on scale. If Thailand wants value, it must accept a different trade-off: fewer arrivals may be acceptable, price-sensitive markets may be less central, and some forms of growth may need to stop being celebrated as success.

Volume and value can coexist, but they cannot both be the system's primary objective. One must lead. The other must follow.

What value-based tourism actually requires

The next phase of ASEAN tourism will not be defined by how many tourists arrive, but by how much value each visitor brings, how much of that value stays in the economy, and whether the system is designed to protect, price, and scale what makes the destination meaningful.

Value does not emerge from ambition alone. It requires deciding which tourists to prioritise, which markets to build around, which experiences to protect, which metrics to reward, and which forms of growth to stop celebrating by default. Thailand has spent years proving it can attract the world. The harder task is deciding what kind of tourism economy it actually wants to build.

Thailand's biggest constraint is not competition. It is hesitation. And hesitation, in a region where every destination is becoming more deliberate, may be the most expensive choice of all.

About this paper

The Cost of Not Choosing was published by CMBN Media, the editorial arm of the Chiang Mai Business Network. CMBN Media produces research, analysis, and commentary on business conditions, sector performance, and economic trends relevant to Chiang Mai and Northern Thailand.

This paper draws on publicly available regional tourism data and structural analysis of ASEAN visitor economy performance. It is intended for business operators, hospitality professionals, and policy-adjacent audiences with a direct interest in how Thailand positions itself within the regional tourism landscape.

Author

Perachat Intachaisri (Kwan), Research Scientist, CMBN Media.

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