



COMPETITIVENESS OF TOURISM DESTINATION: A CASE STUDY OF PHU LOC DISTRICT – THUA THIEN HUE PROVINCE

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Abstract: During the last decade, destination competitiveness has drawn keen interest from researchers and practitioners as response to the increasing need for enhancing competitiveness of destinations in global tourism market. Using the destination competitiveness model developed by Ritchie & Crouch (2003), Crouch (2011), and questionnaire survey with tourism stakeholders (supply side), this study aims to analyse the competitiveness attributes of Phu Loc destination, Thua Thien Hue province. The results show that competitiveness of Phu Loc is mainly built up by well-endowed natural resources, and its competitors were mainly the mid-Central region's destinations. However, Phu Loc was ranked as a less competitive destination in comparison with other three main regional destinations, namely Hoi An, Ba Na and Da Nang. In order to enhance the competitiveness of Phu Loc destination, efforts should be made for tourism product development and marketing. Equally important, regional collaboration efforts in destination management should be made to enhance the attractiveness and competitiveness of regional destinations as a whole.

Keywords: tourism, destination competitiveness, competitors, attributes, Phu Loc

1 Introduction

Located in the middle of Vietnam, Phu Loc district of Thua Thien Hue province is known as a tourist destination with a high diversity of tourism resources and many famous tourism attractions, such as Lang Co bay - one of the most beautiful bays in the world recognised by World-bays Organization in 2009, Bach Ma national park, Son Cha island, Canh Duong beach, Voi waterfall, Cau Hai lagoons, Hai Van pass etc. In recent years, tourism in Phu Loc has made significant achievements with almost doubled growth rate of tourist arrivals and tripled growth rate of tourism revenue during the period of 2012-2015. However, the absolute figures also indicate that despite the richness in tourism resources, Phu Loc has occupied a low portion of tourist market to Hue in particular and to the Central region in general. Several questions arise on what really draws tourists to Phu Loc and how competitive it is, who are really competitors of Phu Loc destination. The answers to these questions are indispensable to enhancing competitiveness of Phu Loc.

Drawn from a study on destination competitiveness of Phu Loc district in 2014 - 2015 by a research team in Faculty of Hospitality and Tourism – Hue University, this paper aims to analyse the competitive attributes of Phu Loc district as a tourist destination in comparison with other potential competitors, from which solutions and policy implications could be made to enhance the competitiveness of and to promote tourism development in Phu Loc district.

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1.1 Tourism Destination

According to the United Nations World Tourism Organization (UNWTO) a destination is defined as "...a physical space in which visitors spend at least one night and is made up of tourism products such as support services and attractions, and tourism resources with physical and administrative boundaries that define its management, images/perceptions of market competitiveness" (UNWTO, 2003). In line with this, Buhalis (2000) defined destinations as places that offer an amalgam of tourism products and services, which are consumed under a brand name of the destination. He argues that tourism destinations are well-defined geographical regions, understood by visitors as unique entities with a core of six main provisions, i.e. attractions, accessibility, available packages activities and ancillary services.

From a narrower point of view, Manente and Minghetti (2006) defined a tourism destination from two different perspectives. Firstly, tourism destination is a tourist place where tourist activities have been developed and then tourist products are produced and consumed. Secondly, it is a tourist product and then defined as a specific supply involving a set of resources, activities and actors of a territory as well as the local community. It can be said that although the definition of a tourism destination can be varied from different perspectives, there are convergent elements including geographical boundaries, tourism resources and tourism products.

1.2 Competitiveness of Tourism Destination – concepts and applications

Many researchers have proposed different definitions of destination competitiveness from various perspectives. Prominently, Buhalis (2000) and Crouch & Ritchie (1999) examined the definition in terms of the economic prosperity of destination residents, which is consistent with the view raised by World Economic Forum (2009). This approach is specifically applicable to the international-level destinations. Dwyer, Forsyth and Rao (2000a: 9) indicated that "tourism competitiveness is a general concept that encompasses price differentials coupled with exchange rate movements, productivity levels of various components of the tourist industry and qualitative factors affecting the attractiveness or otherwise of a destination".

Hassan (2000) defined destination competitiveness as a "destination's ability to create and integrate value-added products that sustain its resources while maintaining market position relative to competitors". In line with this, d'Hartserre (2000: 23) defined competitiveness as "the ability of a destination to maintain its market position and share and/or to improve upon them through time". Dwyer and Kim (2003: 375) also proposed that destination competitiveness is "the ability of a destination to deliver goods and services that perform better than other destinations on those aspects of the tourism experience considered being important by tourists". These arguments support the common definition mentioned by Ritchie and Crouch (2003: 2) that competitiveness is "the ability of a destination to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying, memorable experiences, and to do so in a profitable way, while enhancing the well-being of destination residents and preserving the natural capital of the destination for future generations".

Conceptualization and measurement of tourism destination competitiveness have motivated a number of studies with different focuses that can be grouped into: (1) the level of com-

petitiveness of a specific tourism destination; (2) the specific aspects of destination competitiveness, such as price, quality management, attractiveness, destination image, destination marketing, destination efficiency, etc.; (3) the development of general models and theories of destination competitiveness (Ritchie & Crouch, 2007).

In line with studies on the generic models, many other research efforts have focused on particular aspects of destination competitiveness, such as marketing competitive destination (Buhalis, 2000), price competitiveness (Dwyer, Forsyth & Rao 2000a, 2000b, 2002), regional positioning (Uysal et al., 2000), quality management (Go & Govers 2000), the environment (Hassan 2000; Mihalic 2000), nature-based tourism (Huybers & Bennett 2003), the role of public transport in destination development (Prideaux, 2000), strategic management (Jamal & Getz 1996; Heath, 2002), and package tours destination (Chon and Mayer, 1995, Ritchie & Crouch, 2007).

However, there are still a number of difficulties in determining the constructs/determinants for measuring destination competitiveness. Also, it is a challenging task when the importance of the measurement indicators are taken into competitiveness analysis (Ritchie & Crouch, 2007). For example, when comparing a destination rich in natural resources with other destinations having lower level of natural diversity, this single factor may lead to superficial view on destination competitiveness. Whereas, comparing this destination with the ones having a similar set of natural resources (beach, national park, range), the factor 'natural resources' may be of little importance in defining competitive position of the destinations. For this reason, Crouch (2011) developed the most refined version of Ritchie and Crouch model, in which 36 attributes of competitiveness were proposed and incorporated with both attribute importance and actual performance of destinations.

2 Research methodology

Based on the conceptual model developed by Crouch (2011), a set of 6 constructs including Destination characteristics, Attractions and activities, People and human resources, Tourism infrastructure, Tourist experiences and Tourism management & policy were determined. These constructs were further operationalized into 23 variables for analysing the competitiveness of Phu Loc destination. The application of this model was explained in several reasons. First, the research upon which the model is based is the most extensively cited in the competitiveness research literature. Second, the model has been refined and progressively developed over an extensive period through a variety of means, including "research and consulting, conference presentations and discussions, focus group discussions, interviews with destination executives, computer-facilitated decision-support exercises, use in teaching courses on destination management, and feedback and introspection" (Ritchie & Crouch 2003: 61). Third, the model was designed to be generally relevant to any destination and tourism market. As such, it seeks to consider all potentially important attributes rather than focusing on narrower aspects of competitiveness, such as price competitiveness or the 'attractiveness' of a destination. Finally, the extensive exploration and articulation of the model reported in Ritchie and Crouch (2003, 2007) make this conceptual model of destination competitiveness the most amenable to implementation by the tourism industry.

For both qualitative and quantitative research, several tools (including focus group discussion, observation, constructed - questionnaires survey) were used in this study to collect primary data from tourism stakeholders (experts, enterprises, government officers). At first, several focus group discussions were carried out in between November and December 2014. The participants were asked to name maximum 5 competing destinations to Phu Loc. As a result, there was a total of 245 votes for 15 destinations grouped into 3 levels of destinations, namely national, regional and provincial level. The list was then refined to 3 destinations based on the frequency of the votes (more than 50%). These include Ba Na hill, Hoi An city and Da Nang city. The questionnaires were developed for not only assessing Phu Loc destination, but also comparing these competitors, and the questionnaire survey was performed between June and August 2015. A total of 97 questionnaires collected from tourism experts, practitioners and tourism officers, 93 questionnaires were valid for analysis (Structure of the sample is detailed in Appendix 1).

3 Findings and discussions

3.1 Competitiveness attributes of Phu Loc destination

To provide an overview of the destination competitiveness, a part of the survey questionnaire was designed to capture the respondents' view on key tourism types and attractions of Phu Loc destination. The study shows that Phu Loc is well-known for its richness in natural resources, which can provide a wide range of choices for tourists and becomes an important competitive attribute of Phu Loc destination (Figure 1).

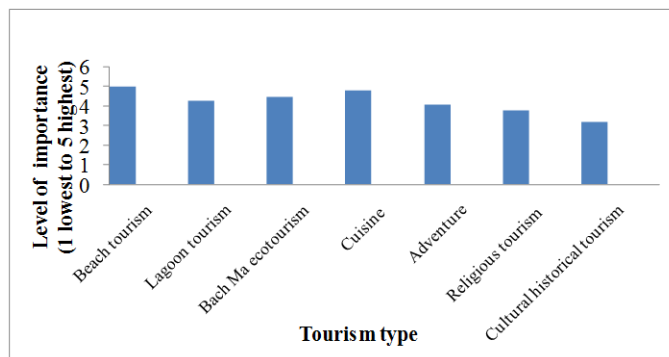


Fig. 1. Importance of tourism types in Phu Loc

Source: Author's survey, 2015

As shown in Figure 1, tourism types such as beach, cuisine and eco-tourism are important domains of Phu Loc tourism destination, whereas lagoon tourism, religious tourism and adventure tourism are listed as second important types. The cultural tourism and handi-craft tourism are ranked at a lower position. This is understandable because Phu Loc is famous for its high diversity of ecosystems, in which Lang Co bay, Bach Ma national park are the most important attractions (Figures 2). Other attractions such as Truc Lam monastery, Hai Van pass, Tuy Van pagoda and Voi waterfall are also well-recognized. Surprisingly, many other famous

beach and lagoon attractions here are not highly appreciated by the respondents, e.g. Canh Duong beach, Lap An and Cau Hai lagoon, Dao Ngoc – Son Cha islet. Likewise, not many other attractions like historical and cultural sites, local daily lifestyle are named by the respondents (Figure 2). This raises a question in product development and marketing of Phu Loc destination.

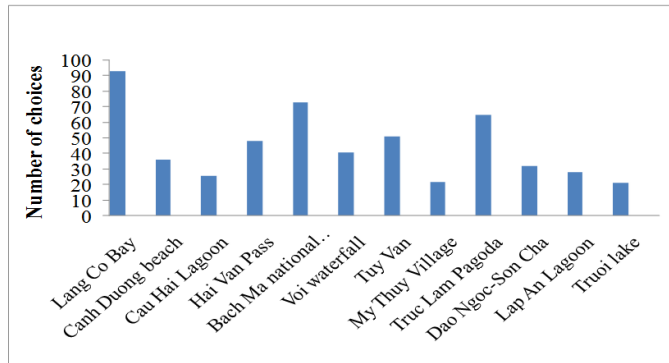


Fig. 2. Major tourism attractions in Phu Loc

Source: Author’s survey, 2015

The tourism competitiveness of Phu Loc destination is further made of 23 attributes and the results are summarized in Figure 3.

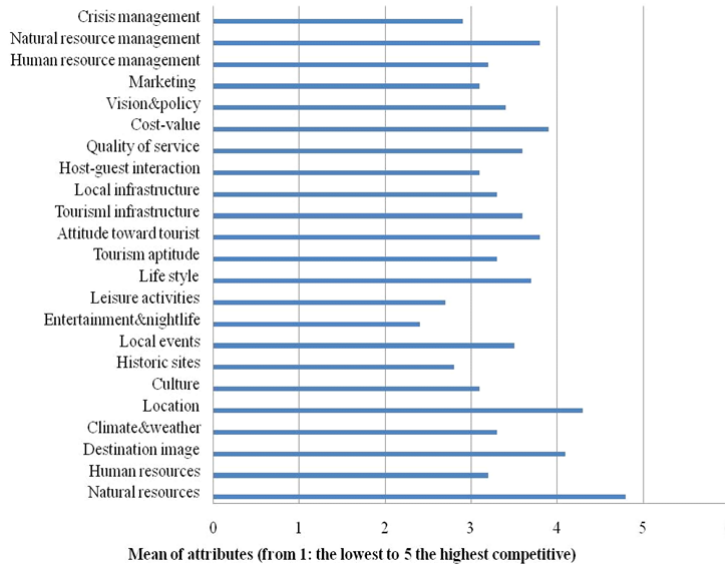


Fig. 3. The competitiveness attributes of Phu Loc destination

Source: Author’s survey, 2015

The results in Figure 3 clearly indicate strengths and weaknesses of competitive attributes of Phu Loc destination. There are only 3 out of 23 attributes voted as highly competitive (with the mean of factors more than 4), including natural resources, destination image and geographical location. The second group of factors includes cost-value (value of money), natural resource

management, attitude toward tourists, local events, lifestyles, tourism infrastructure and service quality with the mean of around 3.5. However, the rest of 13 other factors is not clearly recognized as competitive attributes. This well explains why Phu Loc destination has not gained strong competitive positions as compared to other regional destinations that is discussed below.

3.2 The destination's competitors

The analysis of the destination's competitors will provide useful information to better understand the competitiveness of Phu Loc destination and to further support the destination planning and management for enhancing its competitiveness. The survey results release that more than two thirds of the respondents stating that major competitors of Phu Loc are within the mid-Central region. Whereas, only 12.9% of the sample thought that Phu Loc could compete with other nationwide destinations. Likewise, about a quarter of the respondents said that the competitors of Phu Loc are in Thua Thien Hue province. These figures provide strong evidences for Phu Loc to posit itself as a regional-level destination in tourism market.

It is unsurprising that 74.2% of the respondents voted for Ba Na Hill as the largest competitor of Phu Loc destination. Located next to Phu Loc, Ba Na Hill can surpass Phu Loc both in its development scale and service quality. Hoi An ancient town was voted as the second largest competitor by 61.3% of the respondents. Despite the difference in resource endowment and hence the types of tourism between Phu Loc and Hoi An, the latter is still mentioned as one of the major rivals of Phu Loc. The last main competitor of Phu Loc is Da Nang city, which was voted by 54.8% of the respondents.

Indeed, many other destinations that have been also expected to be the main competitors of Phu Loc, but the results do not support this, e.g. Nha Trang city (29.0% of the votes), Hue (24.7%), Ha Long bay (18.3%), etc. One of the main reasons can be found in the difference in destination levels, whereas the above mentioned ones are at the national level. Overall, the research question of the major competitors of Phu Loc destination was totally clarified.

The information in Figure 4 illustrates the comparison of destination competitiveness by groups. As shown in the figure, Phu Loc is, generally, relatively less competitive than Ba Na and Da Nang and remarkably less competitive than Hoi An. Specifically, except 'destination characteristics', other competitiveness factors of Phu Loc were evaluated lower than those of its neighbors (Ba Na and Da Nang), and none of those of Phu Loc destination can exceed those of Hoi An.

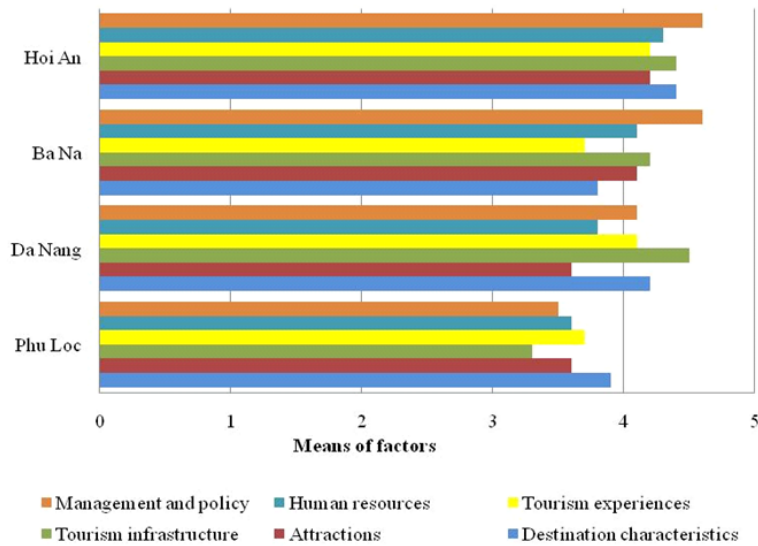


Fig. 4. Comparison in competitiveness among destinations

Source: Author's survey, 2015

3.3 Conclusion and policy implications

Well-endowed with natural resources, Phu Loc is considered as one of the most attractive destinations in the mid-Central region to both domestic and international tourism markets. However, the tourism development in Phu Loc during the last decade showed a modest achievement. Applying the destination competitiveness model of Crouch (2011) and using both qualitative and quantitative research methods, this study found that in spite of the richness in tourism resources, Phu Loc is less competitive due to the weaknesses in tourism product development and marketing promotion. Especially, many unique cultural and historical resources have not been recognized and developed for enhancing tourism attractiveness.

The analysis of major competitors and the level of Phu Loc destination show that Phu Loc is a regional destination and its competitors are mainly regional destinations, namely Ba Na hill, Hoi An ancient city and Da Nang city. The competitiveness attributes of Phu Loc were assessed as low or fairly low advantages, except for the 3 Location, Destination image and Natural resources, which were identified as the major competitive advantages. The study also learns about Phu Loc's limitations in terms of tourism product development, especially developing tourism supplementary services.

Additionally, when compared to 3 other destinations (Hoi An, Ba Na and Da Nang city), it can be seen that these competitors surpass Phu Loc by all factors. Given that the main direct competitors of Phu Loc destination are intra-regional destinations, the efforts for enhancing the competitiveness of Phu Loc are urgently needed if it does not want to lose its comparative advantages. On the other hand, the disadvantages of Phu Loc could be minimized if a regional cooperation for destination development and marketing could be made for the better-off of the regional destinations.

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Appendix

Appendix 1. The sample structure

Indicator	Amount	%	Indicator	Amount	%
1. Work experiences			3. Employment sectors		
Under 5 years	14	15.05	Government agency	13	13.98
5 - 9 years	22	23.66	Tourism education	27	29.04
10 - 15 years	34	36.56	Tourism company	53	56.99
16 – 20 years	16	17.20	Total	93	100
> 20 years	7	7.53	4. Age		
Total	93	100	Below 30 years old	21	22.58
2. Gender			31 - 40 years old	35	37.63
Male	56	60.22	41 - 60 years old	35	37.63
Female	37	39.78	> 60 years old	2	2.15
Total	93	100	Total	93	100