

Determinants of tourism destination competitiveness in Savannakhet province, Lao PDR: A proposed model

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Abstract:

Recently, the Lao People's Democratic Republic (Lao PDR) has increasingly become a popular tourist destination, especially for international tourists. Because there is still a lack of research on the tourism aspects of this country, this article aims to develop a model to assess destination competitiveness and identify critical factors affecting tourism destination competitiveness within the tourism industry in Savannakhet province in Lao PDR in 2023. By using the quantitative method, the research conducted a survey with 153 respondents and analysed the data using SPSS. Moreover, Importance - Performance Analysis is also employed. As a result, eight groups of factors with 29 items were determined. These factors are resources, diversity and quality of facilities and accommodation, costs and safety, currency, vision of the tourism destination, environmentally oriented destinations, demand, and supporting factors. This research is also expected to provide valuable insights and help the government, destination management organisations, residents, and other interested parties to gain a better understanding of the critical determinants of tourism destination competitiveness in Savannakhet province, Lao PDR.

Keywords: competitiveness, competitiveness indicator, Lao PDR, tourism, tourism destination.

Classification numbers: 2.2, 2.3

1. Introduction

Tourism is one of the fastest-growing industries in the world, leading to fierce competition among destinations to attract visitors. To achieve this, destinations must build and maintain a favourable image to develop attractive tourism services, thereby enhancing visitor satisfaction [1]. However, not all competing destinations in the tourism sector achieve equal market share. Popular destinations appear to have a distinctive edge over others, making the concept of destination competitiveness of prime importance [2]. Moreover, due to the increasing competition in the international tourist market between existing tourist attractions and the emergence of new ones, achieving and especially maintaining and enhancing competitive advantage is extremely challenging [3]. This challenge arises from the fact that destinations are composed of many factors, complex structures, systems, and constantly changing interactions. As destinations are subject to intense global competition, increasing competitiveness among tourist destinations is a key feature of the modern tourism market. Therefore, to

survive in such a rapidly changing environment and compete in the global market, tourism destinations need to innovate and constantly seek new resources that offer a comparative advantage over other destinations [4].

Lao PDR is an underdeveloped country with great potential for tourism development. However, Lao PDR has not attracted as many tourists compared to other Southeast Asian destinations such as Thailand, Singapore, and Vietnam. Therefore, Lao PDR needs to maintain and enhance its destination competitiveness. Current research related to assessing the competitiveness of Lao PDR as a tourist destination has not yet been conducted, making it a new area of research. The competitiveness of Lao PDR as a tourist destination needs to be studied to identify capacity weaknesses and provide a basis for improvement. Thus, this study was conducted to develop an appropriate model to assess the competitiveness of Savannakhet province, Lao PDR as a tourism destination from the supply side.

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2. Literature review

2.1. The concept of tourism destination competitiveness

The concept of tourism destination competitiveness originates from the broader notion of competitiveness [5]. It is highly significant in tourism research, recognised as a crucial factor for the success of tourist destinations [6]. Regarding tourism destination competitiveness, it involves a combination of comparative advantage and competitive advantage. Comparative advantage pertains to inherent resources such as climate, landscape, flora, and fauna, while competitive advantage relates to generated factors such as tourism infrastructure, management quality, worker skills, and government policy [7].

While the concept of competitiveness initially emerged in the economic sector, its application in tourism has led to new debates regarding its definition. Destination competitiveness, like general competitiveness, is complex and multifaceted [8]. Consequently, numerous variables have been associated with this term, and various factors and perspectives have been proposed. This has resulted in multiple descriptions and definitions of the concept, indicating that consensus on a single definition remains elusive [9, 10].

Through the synthesis of competitiveness definitions, three general aspects have emerged. The first is the economic aspect, central to competitiveness, as noted by L.A. Caldito, et al. (2014) [11]. The second aspect involves attractiveness and satisfaction [6, 12], referring to a destination's ability to attract and satisfy potential tourists increasingly. The third aspect pertains to sustainability. Despite the predominance of economic aspects in research and measurement of destination competitiveness, environmental and social aspects are also considered [13]. This is evident in perspectives that emphasise preserving a destination's natural capital for future generations [12] and creating and integrating valuable products to sustain its resources [14]. This aspect ensures long-term success and achieves a fair return from resources used to satisfy all stakeholders [15].

Previous research has identified J.R.B. Ritchie, et al. (2003) [12] approach as the most comprehensive regarding destination competitiveness [16]. These authors define tourism destination competitiveness as the ability to increase tourism spending, attract more tourists, provide satisfying and memorable

experiences, generate business profits, enhance the well-being of residents, and preserve the destination's natural resources for future generations.

2.2. Theories related to tourism destination competitiveness

Two economic theories, the theory of comparative advantage and the theory of competitive advantage, serve as the foundational basis for researching destination competitiveness. These theories facilitate a deeper understanding of competition and its interrelationships and applications within tourism. Additionally, R.E. Freeman (1984) [17]'s stakeholder theory is utilised in this research, positing that stakeholders at the destination play a crucial role in its success and should therefore be included in the assessment of the destination's competitiveness.

2.3. The theory of comparative advantage

The theory of comparative advantage was developed by David Ricardo in 1817, based on the theories of mercantilism and Adam Smith's absolute advantage. While absolute advantage identifies the lowest-cost producer, comparative advantage is based on the opportunity cost of producing a particular good over others. Even countries without an absolute advantage in any goods will have a comparative advantage in producing at least one good. This inter-country opportunity cost assessment encourages specialisation and trade. The theory is based on rigorous assumptions, including perfect competition, constant returns to scale, known and stable international market prices, and fixed characteristics of goods [18]. Despite these strict assumptions, the structure of comparative advantage remains a fundamental element in trade theory and is applied in many research [19]. For example, in the research of J.R.B. Ritchie, et al. (2003) [12], the core diamond theory of competitive advantage was applied as a discerning framework providing some elements such as human and physical resources, availability of know-how capital, tourism infrastructure, historical and cultural assets [12].

2.4. The theory of competitive advantage

While early research laid the groundwork for the concept of competitive advantage, Michael Porter's work popularised the notion in the 1970s and 1980s. M.E. Porter (1985) [20] explains that competitive advantage arises from a company's ability to create value for buyers that exceeds the firm's cost of creating it. Value is what the buyer is willing to pay, and

superior value is achieved by offering a lower price than competitors for equivalent benefits or unique benefits that justify higher prices [20].

This definition primarily focuses on the customer, comparative value, and distinguishes between two basic types of competitive advantage: cost leadership (providing the lowest-cost products) and differentiation (offering unique benefits). Furthermore, it asserts that gaining a competitive advantage leads to higher performance. In other words, competitive advantage is the outcome and goal of strategy, not just an element within the strategy. For instance, this theory is the foundation in providing some elements in tourism destination competitiveness such as audits and inventories, maintenance, growth and development, efficiency and effectiveness [12].

2.5. Stakeholder theory

Stakeholder theory is a management theory that clarifies the roles and responsibilities of various stakeholders within an organisation [21]. Initially proposed by H.I. Ansoff (1965) [22] and refined through the seminal work of R.E. Freeman (1984) [17], it challenges the conventional wisdom that shareholders' perspectives are the only ones that matter [23]. This perspective helps manage and balance competing interests and requirements among multiple stakeholders [24].

T.M. Jones, et al. (1999) [25] summarise the four essential premises of stakeholder theory. Firstly, an organisation is characterised by its relationships, presence, and the influence of its decisions, as noted by R.E. Freeman (1984) [17]. Secondly, the theory is concerned with the processes and outcomes of these relationships [25]. Thirdly, the theory posits that all individuals or groups with a legitimate interest have intrinsic value, with no preference or dominance of one group over others. Finally, the theory discusses managerial judgement, offering suggestions for fostering a stakeholder-centred management approach.

Applied to the context of tourist destinations, stakeholder theory implies that the support of destination stakeholders is fundamental to the destination's success. The importance of considering the interests of different stakeholders for the destination's long-term profitability is widely recognised [26]. Additionally, applying stakeholder theory to the tourism context implies that a tourist destination's performance should be assessed against stakeholder expectations, similar to how companies do.

Overall, these theories form the foundational basis for this research. The study of competitiveness is rooted in the theories of comparative advantage and competitive advantage. Furthermore, stakeholder theory provides a useful lens for investigating and assessing the competitiveness of destinations, supporting the premise that destination stakeholders must actively assess the competitiveness of a tourism destination.

2.6. Measuring the competitiveness of the destination

There is no single set of competition indicators applicable to all destinations at all times. Various indicators contribute to a destination's competitiveness, ranging from more subjective characteristics (e.g., the attractiveness of the destination) to more empirically determined characteristics (e.g., market share of tourists, revenue in foreign currency) [7]. As a result, primary indications can be divided into hard measures and soft measures. Hard metrics are quantitative or objective indicators, while soft measures concern stakeholder opinions and are typically less formal, more subjective, or qualitative indicators.

A tourist destination's competitiveness is critical for achieving and maintaining success in the global tourism business [27]. Tourism research cannot ignore the importance of managing these locations [28]. Researchers have used various methods, instruments, and indicators to diagnose the competitive situation of individual destinations and destination clusters when assessing destination competitiveness [29]. However, there is heterogeneity in this research topic, with some contradictions and problems discussed.

One issue is that different definitions lead to measuring different elements in assessments. Tourism scholars have recognised the multidimensional complexity of destination competition structures and attempted a holistic approach that includes both price and non-price factors [5, 7, 30]. J.R.B. Ritchie, et al. (2023) [12] and L. Dwyer, et al. (2003) [7] were among the first authors to research specific factors or aspects of tourism competitiveness. Although most basic opinions regarding the factors and determinants of destination competitiveness are similar, these aspects are influenced by the internal and external environment of a specific destination, adding to the complexity and diversity of this research topic.

Even in empirical research with more complex frameworks, a wide range of variables is examined. For any determinant of destination competitiveness, various indicators can be used as measures [30]. Therefore, detailed assessments providing an overall account of a particular destination's competitive position require many indicators (e.g., 83 indicators according to L. Dwyer, et al. (2023) [7]; or 111 according to C.Y. Chens, et al. (2008) [31]). However, most studies measuring destination competitiveness include only 20 to 30 indicators (20 according to M. Caber, et al. (2012) [32]; 21 according to W. Deng (2007) [33]; 23 according to O. Bahar, et al. (2007) [29]), with some studies using only eight (e.g., C.M. Chen, et al. (2011) [34]). It can be argued that using too few indicators has limited effect in providing detailed information and understanding of each determinant of destination competitiveness, limiting the ability to identify specific directions to strategically improve its position. Conversely, studies with extensive lists of indicators using questionnaires to collect data may reduce response rates due to respondent fatigue, thus threatening data accuracy.

Some studies have surveyed visitors to compile lists of competitive indicators from a demand perspective [11], while others have consulted supply-side stakeholders [31]. Quantitative data are frequently used since they are thought to be more precise and accurate. Two approaches related to qualitative data or "soft measures" can be found in tourism literature. First, competitiveness is measured using data from surveys and tourists' perceptions. The second approach is based on the empirical evaluation of several subjective indicators of tourism competitiveness, surveyed across key tourism stakeholders, such as reports [4].

3. Developing a research model on tourism destination competitiveness: The case of Savannakhet, Lao PDR

This model aims to provide a comprehensive framework for sustainable tourism competitiveness, specifically focusing on Savannakhet province, Lao PDR, based on the analysis of previously discussed competitiveness models. The model identifies three groups of factors determining the province's competitiveness in Lao PDR: (1) factors related

to resources and main attractors, (2) factors related to supporting elements, and (3) demand conditions, as illustrated in Fig. 1. The main factors include key attractors and activities, while the supporting factors encompass situational elements and destination management factors. The remaining group pertains to demand conditions.

3.1. Key attractors

The primary resources and attractions of a destination are what draw visitors. Several essential components of resources and attractors serve as the foundation for an unforgettable adventure for tourists.

One of the most crucial assets for any tourist location is its legacy resource, which is also the first aspect in determining a place's attractiveness. The natural environment and local culture are two types of resources that contribute to a location's appeal [7, 35]. The natural resources of a destination include geography, climate, flora and fauna, landscape, and other physical assets [36]. The relationship between tourism and natural resource management has garnered much attention in recent years, leading to growing research in this area. T. Mihalic (2000) [37] demonstrated that destination managers must maintain the functionality and appeal of their core products to compete [38]. J.R.B. Ritchie, et al. (2003) [12] identified heritage and culture as including historical sites, traditional customs, architectural features, art, music, handicrafts, and local cuisine. A high proportion of international tourists are considered cultural tourists [39]. Cuisine, typical local products, and handicrafts have the potential to attract customers; however, there is limited research on this [40]. A.M. Hjalager, et al. (2002) [41] state that authentic cuisine is important and is considered a source of tourism-related economic development.

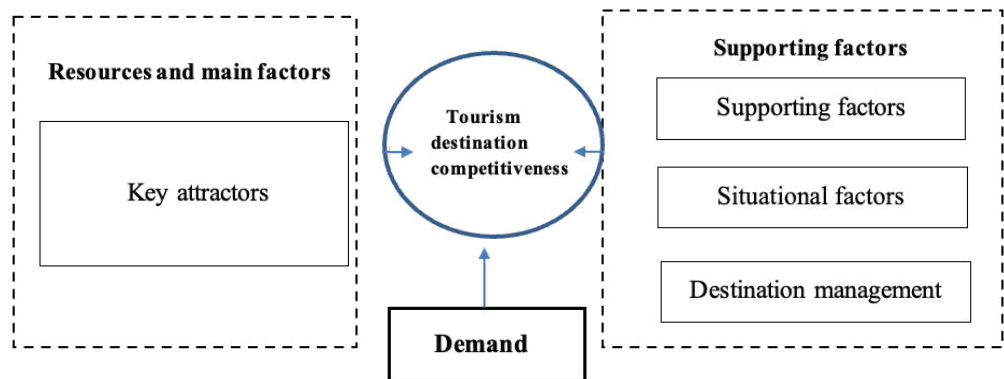


Fig. 1. A proposed framework to assess the tourism destination competitiveness of Savannakhet province, Lao PDR.

Shopping, activities, entertainment, and special events and festivals are major motivations for tourists to visit a destination [12]. These “generated resources” are crucial for improving a destination’s market position. Particularly in established seasonal tourist destinations, events and festivals can extend the seasonality of tourism. One of the main attractions of a vacation spot is the variety of activities available. As more travellers seek to go beyond passive sightseeing, the availability of a wide range of activities is becoming increasingly important [42]. The tourism business can also benefit greatly from the leisure market. Furthermore, shopping is likely the most popular tourist activity, despite being infrequently listed as a key motivation for travel [43]. L. Dwyer, et al. (2003) [7] found that tourists’ favourite activity is shopping, which positively impacts the local economy.

3.2. Situational and supporting factors

Facilitating and supporting factors add value to the travel experience, thereby encouraging visitation. Supportive resources increase a destination’s competitiveness by laying the groundwork for enhancing a tourism destination’s competitiveness [7, 12]. The strength of these factors can amplify or diminish the effect of other elements influencing a destination’s competitiveness. Destination accessibility, “value for money in accommodation,” “value for money in the tourist experience,” and metrics regarding resident conditions, such as friendliness, environmental quality, and personal safety, are taken into consideration.

3.3. Destination management

Destination management is the ability of a destination to execute its tourism strategy [35]. Effective destination management involves efficiently managing resources, improving the quality and efficacy of enabling elements, and adapting to situational constraints [7]. It includes various practices aimed at enhancing a location’s appeal to visitors. Successful planning, development, management, and marketing of tourist destinations require collaboration [12]. Additionally, Destination Management Organisations (DMOs) play a significant role by coordinating various public and private organisations involved in the tourism industry.

3.4. Demand

While the supply side is frequently researched in the Ritchie & Crouch competition model, L. Dwyer, et al. (2003) [7] argue that focusing solely on supply-side factors provides an incomplete picture of a destination’s competitiveness. According to M.E. Porter (1985) [20], the nature of demand for industry

products significantly influences competitiveness literature. L. Dwyer, et al. (2004) [30] suggest a similar relevance in tourism competition. This aspect considers tourism seasonality, perceptions of the destination (perceptions/information, perceptions/images, and preferences), and tourists’ responsible behaviour (interest in local heritage, respect for local culture, etc.). Factors influencing demand include the compatibility of products and services with visitor preferences, global perceptions of the destination and its products, and the destination’s overall image [35].

4. Methodology

This research aims to provide a better understanding of the tourism destination competitiveness of Savannakhet province, Lao PDR. Formerly known as Savanh Nakone, which means “city of paradise” or “heavenly city,” Savannakhet province boasts more than 117 tourist sites, including 74 natural, 32 cultural, and 11 historical sites [44]. International tourism has been considered a poverty-alleviation strategy, providing a vital source of foreign exchange and employment since 1989. With government support, the number of tourists arriving in Lao PDR has rapidly increased. In 2015, Lao PDR welcomed more than 4.6 million international visitors, generating over 700 million USD for the state budget, an increase compared to the previous year. From 2016 to 2019, Lao PDR saw more than 22 million international tourists [44]. However, since 2020, the tourism industry in Lao PDR has been severely affected by the COVID-19 pandemic, resulting in an 81.5% decrease in international tourists, from 4,791,065 in 2019 to only 886,447 in 2020 [44]. The Development Plan from 2021-2025 aims to attract 1,077,002 foreign tourists to Lao PDR, generating revenue of about 271,725,235 USD, contingent on the subsiding of the COVID-19 epidemic and the relaxation of international border restrictions, including the Lao PDR-China international border gate along the railway.

Quantitative analysis is employed using the questionnaire method. Moreover, the importance-performance analysis (IPA) model which is conceptually a multi-criteria model was utilized in this research. To use this model, each component is measured in terms of two dimensions “importance (optimal status)” and “performance (current status)”. Hence, the questionnaire consists of two sections. The first part asks respondents to rate their opinions about the performance and importance rate of tourism competitiveness using a 5-point Likert scale (34

indicators); the second part collects demographic information about the respondents. The scale items, adapted from previous studies, are measured on a five-point Likert scale ranging from one (“strongly disagree”) to five (“strongly agree”).

Based on the synthesis of the literature review, especially the research of L. Dwyer, et al. (2004) [30] and J.R.B. Ritchie, et al. (2003) [12], the indicators for

assessing tourism destination competitiveness were chosen. Additionally, discussions with tourism industry experts helped refine a set of 34 items to suit the context of Lao PDR (Table 1). The questionnaire was originally developed in English and then translated into Lao for data collection.

Data collection was conducted mainly by face-to-face method with senior and middle managers in

Table 1. List of variables.

Factors	Encoding	Variables
Key attractors	TH1	Favourable climate, comfortable for travel
	TH2	Natural scenery, beautiful destination
	TH3	Architectural art at a beautiful, unique destination
	TH4	Historical sites, cultural areas/folk villages with unique traditional art
	TH5	Special local events and festivals
	TH6	Diversity and quality of accommodation
	TH7	Diversity of facilities (amusement and entertainment places, restaurant and coffee shops)
	TH8	Cleanliness of the destination
Supporting factors	HT1	Electricity and water supply
	HT2	Financial institution and currency exchange facilities
	HT3	Health/Medical facilities to serve tourists
	HT4	Telecommunication system for tourists
	HT5	Convenient road and traffic system
	HT6	Friendliness and hospitality of residents towards tourists.
Destination management	QT1	Some specific experience-oriented programs for tourists
	QT2	Tourism-oriented destination
	QT3	Destination 'vision' reflects tourism industry stakeholder values
	QT4	Community support for special events
	QT5	Public sector commitment to tourism/hospitality education and training
	QT6	Existence of laws and regulations protecting the environment and heritage
	QT7	Research and monitoring of environmental impacts of tourism
Conditional factors	DKTH1	Location of tourist sites
	DKTH2	Level of safety
	DKTH3	Suitable travel costs
	DKTH4	Suitable price of accommodation
	DKTH5	Value for money in destination tourism
	DKTH6	Incidence of crimes against tourists in destination
	DKTH7	Living fees
	DKTH8	Exchange rate
The demands	DKVC1	Available information on tourism destination
	DKVC2	Available tourism promotion
	DKVC3	International tourist sites
	DKVC4	Positive destination images
	DKVC5	Alignment of the condition of destination and tourist' interests

the public sector in the tourism industry in Lao PDR. Exploratory factor analysis (EFA) and Confirmatory factor analysis (CFA), IPA model was utilized in analysing the collected data by SPSS.

5. Results and discussion

5.1. Characteristics of respondents

Regarding the gender of respondents, more than half (58%) of the 153 respondents are female. More than one-third (34%) of the respondents have worked in the tourism industry for 5-10 years, followed by 29% with less than 3 years of experience. Nearly 22% of respondents have 3-5 years of experience, while only 15% have over 10 years in the field.

Concerning company position, over 80% of respondents are managers or owners of their company, while the others are employees, residents, and other stakeholders. Regarding the type of company, 29% and 27% of the respondents work in restaurants/coffee shops and hotels, respectively, 18% are in tour operations, and less than 10% are in transportation companies, amusement parks, and the department of tourism.

5.2. Exploratory factor analysis

Cronbach’s alpha measures internal consistency, indicating how closely related a set of items are as a group. Variables such as “Convenient road and traffic system”, “Location of tourist sites”, and “Available information on tourism destination” had coefficients less than 0.5 and were removed from the list of variables. After eliminating unsuitable variables, the factors had Cronbach’s alpha coefficients greater than 0.6, and the corrected item-total correlation coefficients of all observed variables were greater than 0.3. All scales are used to ensure internal consistency.

In the first EFA, “Suitable price of accommodation” and “Tourism-oriented destination” had factor loadings lower than 0.5 and were eliminated. The EFA was rerun, resulting in a KMO (Kaiser-Meyer-Olkin) measure of 0.748, satisfying the condition (0.5<KMO <1). Bartlett’s test had a p-value of 0.000 (<0.05), indicating that factor analysis is consistent with real data and observed variables are correlated within each factor group. The Eigenvalue was greater than one, and the percentage of total variation explained by the factor analysis model was 72.148% (>50%), retaining eight common factors. As hypothesised, there are twenty-nine factors in the independent variables.

The EFA results also demonstrated that some groups of factors are classified differently (Table 2). Key attractors are categorised into two main groups:

Table 2. Rotated component matrix from exploratory factor analysis.

	Rotated component matrix							
	Component							
	1	2	3	4	5	6	7	8
HT2	.902							
HT1	.887							
HT3	.878							
HT4	.862							
HT6	.860							
TH2		.883						
TH1		.809						
TH4		.809						
TH3		.790						
TH5		.763						
DKVC5			.913					
DKVC2			.892					
DKVC3			.875					
DKVC4			.864					
TH6				.851				
TH8				.847				
TH7				.845				
DKTH2					.785			
DKTH6					.703			
DKTH3					.667			
DKTH5					.632			
DKTH4								
QT5						.791		
QT3						.755		
QT4						.727		
QT6							.836	
QT7							.713	
QT1							.627	
QT2							.537	
DKTH7								.921
DKTH8								.907
Extraction method: Principal component analysis. Rotation method: Varimax with Kaiser normalisation.								
a. Rotation converged in 6 iterations.								

Source: Results extracted from SPSS.

Resources (favourable climate, comfortable for travel; natural scenery, beautiful destination; architectural art at a beautiful, unique destination; historical sites, cultural areas/folk villages with unique traditional art) and Facilities and quality of tourism destination (diversity and quality of facilities and accommodation; cleanliness of the destination).

Situational factors consist of two main groups: Costs and safety (level of safety; suitable travel costs; incidence of crimes against tourists; living fees) and Currency (exchange rates when travelling).

Destination management is categorised into two groups: Vision of tourism destination (stakeholder values; community support for special events; public sector commitment to tourism education and training) and Environmental-oriented destination (existence of laws protecting the environment; research and monitoring of environmental impacts).

Thus, the EFA test reveals eight groups of factors affecting the assessment of tourism destination competitiveness: Resources, Diversity and quality of facilities and accommodation, Costs and safety, Currency, Vision of tourism destination, Environmental-oriented destination, Demand, and Supporting factors.

5.3. Confirmatory factor analysis confirmatory factor analysis

The data analysis method to test the scale was carried out using the CFA to confirm the reliability and validity of the scale in a new context. The findings illustrated in Fig. 2 show that the Chi-square value/df (1.489) is less than 2, GFI (0.860) is greater than 0.8, TLI (0.934) is greater than 0.9, CFI (0.940) is greater than 0.9, and RMSEA (0.050) is less than 0.08. Hence, the model is considered to match the data [45].

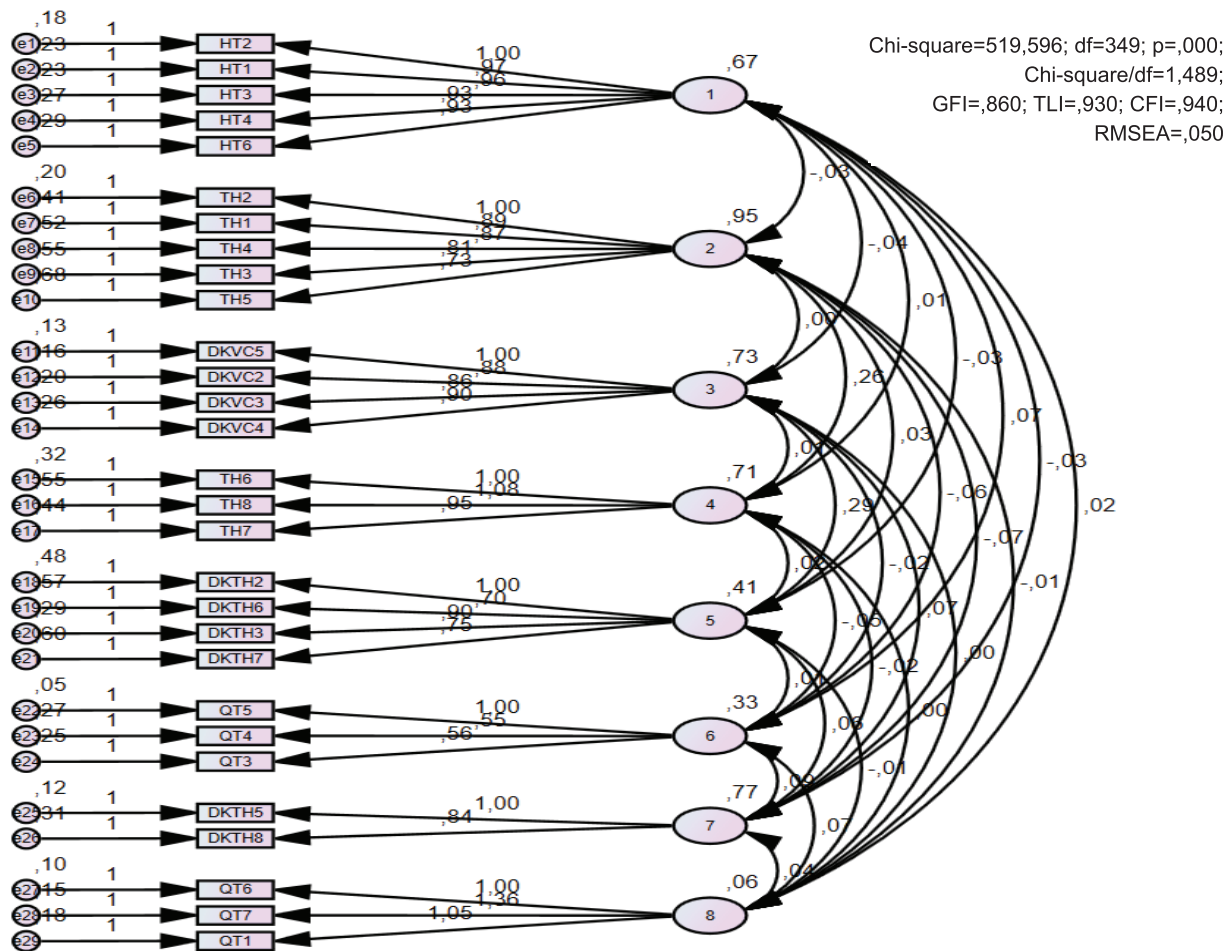


Fig. 2. Results from confirmatory factor analysis. Source: Results extracted from SPSS.

Table 3. Importance-performance analysis for Savannakhet province, Lao PDR.

Variables	Performance (P)	Importance (I)	P-I	Quadrant
Supporting factors	3.97	4.36	-0.39	
HT2	3.85	4.36	-0.51	1
HT1	4.00	4.39	-0.39	1
HT3	3.80	4.32	-0.52	1
HT4	4.00	4.33	-0.33	1
HT6	4.2	4.38	-0.18	2
Resources	4.05	4.37	-0.32	
TH2	4	4.35	-0.35	1
TH1	3.9	4.36	-0.46	1
TH4	4	4.36	-0.36	1
TH3	4.2	4.33	-0.13	2
TH5	4	4.38	-0.38	1
Demands	4.05	4.40	-0.35	
DKVC5	4.2	4.43	-0.23	4
DKVC2	3.9	4.36	-0.46	2
DKVC3	4	4.39	-0.39	1
DKVC4	4.1	4.4	-0.3	2
Diversity and quality of facilities and accommodation	4.07	4.37	-0.31	
TH6	3.9	4.35	-0.45	2
TH7	4.1	4.37	-0.27	2
TH8	4.2	4.4	-0.2	2
Costs and safety	4.08	4.30	-0.21	
DKTH2	4.02	4.36	-0.34	1
DKTH6	4.01	4.36	-0.35	1
DKTH3	4.05	4.22	-0.17	4
DKTH5	4.04	4.19	-0.15	4
DKTH4	4.3	4.35	-0.05	2
Vision of tourism destination	3.98	4.153	-0.173	
QT5	3.9	4.05	-0.15	3
QT3	3.94	4.06	-0.12	3
QT4	4.1	4.35	-0.25	2
Environmental-oriented destination	3.91	4.17	-0.25	
QT6	3.8	3.93	-0.13	3
QT7	3.9	4.03	-0.13	3
QT1	3.9	4.33	-0.43	1
QT2	4.05	4.37	-0.32	2
Currency	4.18	4.32	-0.14	
DKTH7	4.3	4.4	-0.1	2
DKTH8	4.05	4.23	-0.18	4

Source: Results extracted from SPSS.

5.4. Importance performance analysis

Results from Table 3 show that the level of performance of the elements constituting tourism destination competitiveness (TDC) of Savannakhet province, as assessed by customers, is lower than their expectations. To determine the overall difference, the study conducted a Paired Samples T-test to measure the difference between the average value of the attribute in terms of importance and performance level in the provincial TDC assessment. Savannakhet from stakeholders. The results of the test demonstrate a significant difference.

The results of the analysis show that among the 31 factors evaluating TDC in Savannakhet province, there are 31 factors with a statistically significant difference ($p < 0.05$) between the assessment of importance and level of implementation. The analysis also calculated the gap between the level of implementation and the importance of the attributes constituting TDC of Savannakhet province. The results show that the overall factors constituting the TDC of Savannakhet province have a GAP (P-I) value of -0.27.

The result from Fig. 3 shows that the components with the largest gap from performance level to importance are “Supporting factors” (GAP value = -0.39), followed by “The demands” (GAP=-0.35) and “Resources”, respectively. (GAP=-0.32), “Diversity and quality of facilities and accommodation” (GAP=-0.31), “Environmental-oriented destination” (GAP=-0.25), “Costs and safety” (GAP=-0.21), “Vision of tourism destination” (GAP=-0.17) and finally “Currency” (GAP=-0.14).

The attributes constituting Savannakhet province TDC are placed in the corners of the IPA matrix specifically as follows:

The first quadrant (Concentrate here) includes 12 factors: HT1, HT2, HT3, HT4, TH1, TH2, TH4, TH5, QT1, DKTH2, DKTH6, DKVC3. The factors in this partition are considered to have a high level of importance but the level of implementation at the destination of Savannakhet province is low. Therefore, managers need to increase investment and focus on improving service quality related to these factors.

The second quadrant (Keep up the good work) includes 11 attributes: HT6, TH3, DKVC2, DKVC4, TH6, TH7, TH8, DKTH4, QT4, QT2, DKTH7. Stakeholders rated these factors as important and the Savannakhet province destination also achieved a good level of implementation. Therefore, administrators need to continue to maintain and promote strengths related to these factors.

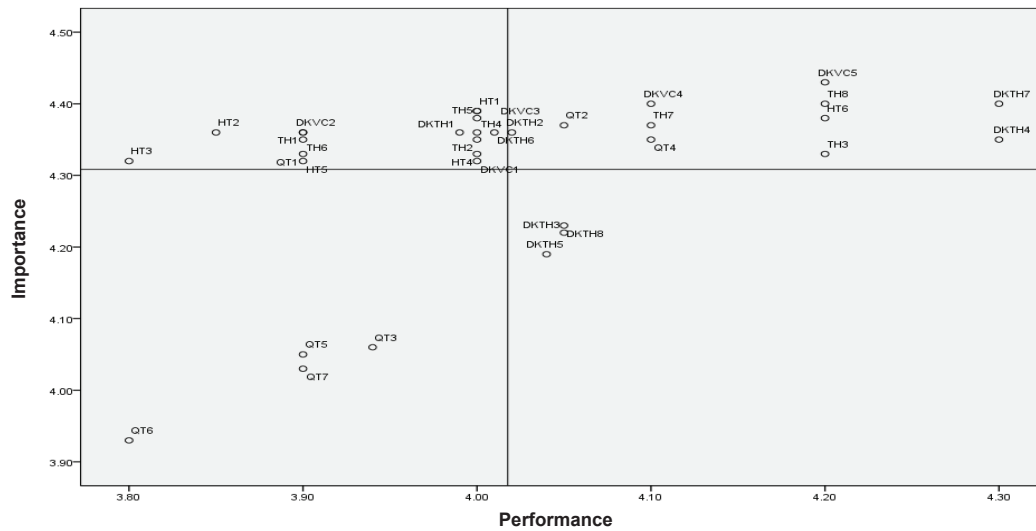


Fig. 3. Importance-performance analysis for Savannakhet province, Lao PDR. Source: Results extracted from SPSS.

The third quadrant (Low priority) is where the most distributed attributes are, including 4 factors: QT3, QT5, QT6, QT7. These factors have a low level of importance and also achieve a low level of implementation. Therefore, tourism managers do not need to focus too much and limit the use of resources on these factors.

Fourth quadrant (Possible overkill): Includes 4 factors: DKTH3, DKTH5, DKTH8, DKVC5. These factors are rated as having low importance, however the Savannakhet province destination has performed very well in implementing them. Therefore, tourism administrators should use existing resources to focus on developing other attributes.

6. Conclusions and implications

Based on the synthesis of previous studies on destination competitiveness, this study develops a model to evaluate the competitiveness of a destination in Lao PDR, focusing on eight key factors: Resources, Diversity and quality of facilities and accommodation, Costs and safety, Currency, Vision of tourism destination, Environmental-oriented destination, Demand, and Supporting factors. To assess Savannakhet province and provide a basis for improving its competitiveness towards sustainable competition through the role of DMOs, the study engaged tourism industry experts to identify a set of 34 items necessary for improvement. The data analysis results show that 29 items in the research model are suitable for measuring competitiveness in this context. The factors, grouped into eight categories, explain 72.148% of Savannakhet province’s competitiveness.

The results of the analysis of importance - level of implementation show that the resource allocation of the attributes of the 8 components are mostly arranged in the quadrant first (12 attributes) and quadrant second (11 attributes) on the IPA matrix. The number of attributes in quadrant fourth is very small (4 attributes). There are also a few attributes located in quadrant third (4 attributes).

Savannakhet province is a potential destination for tourism development, and the provincial government aims to make tourism a key economic sector, contributing to economic growth and job creation, given the limited resources for developing other industries. To achieve this strategic goal, increasing the destination’s competitiveness must be the top priority for DMOs, tourism industry stakeholders, and residents. As tourism in these destinations begins to develop, sustainable competitiveness must be a primary focus from the outset. Coordination among all tourism stakeholders and residents is essential to plan and develop high-quality tourism products that meet target customers’ needs, providing memorable experiences while protecting the environment and cultural heritage. Maintaining the existing culture and beauty of Savannakhet province, and preventing disruptions to the natural landscape, is crucial.

Human resources for tourism development are of great importance. Therefore, education and training programmes on tourism activities need to be prioritised and invested in early to create high-quality services and products. Quality standards should be established for all tourism services, including accommodation, restaurants, travel, and attractions. Close inspection and correction plans are necessary to maintain these standards.

On the other hand, natural resources are quite abundant and full of potential, however, administrators have not yet exploited natural resources well in Savannakhet province. Therefore, exploiting and protecting these resources will have a great boosting effect on the competitiveness of the destination. The results also show that Savannakhet province should preserve its artistic architecture, ensure the maintenance of environmental quality as well as good price competition and people's support for events held in the province. According to supply-side stakeholders, these attributes are of high importance and are being implemented well, so they should be further promoted to increase the attractiveness of the destination.

Additionally, tourism managers in Savannakhet province should not spend too much effort on tourism costs because these attributes are already performing well but should instead focus on other more important attributes.

Attributes that received low scores for both importance and performance were long-term vision for tourism development, tourism development planning in a direction that reduces negative impacts on the environment. Considering that the mentioned aspects are not of importance to supply-side stakeholders, investing in the development of such attributes is not of prime importance.

However, this topic is broad and complex, and it is not without limitations, suggesting areas for future research. Firstly, the research focuses on tourism destination competitiveness from the supply side. Geographical limitations may lead to different results and conclusions about the impacts of determinants on tourism destination competitiveness. Tourism stakeholders in other destinations and countries may have different perceptions of tourism development and competitive strategies. Therefore, to enhance the findings and achieve reliable results, future studies should expand the research scope to other countries.

Secondly, destination competitiveness can be analysed from both hard and soft aspects. This study mainly evaluates the TDC of Lao PDR from a subjective perspective on the supply side. To gain a more comprehensive understanding of this destination's competitiveness, future research needs to further analyse the hard aspects and the demand side, allowing for comparisons between the supply and demand perspectives.

CRediT author statement

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COMPETING INTERESTS

The authors declare that there is no conflict of interest regarding the publication of this article.

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