
COMPETITIVE ADVANTAGE OF CULTURAL TOURISM**Chayanan Kerdpitak¹, Kai Heuer²**¹Faculty of Management Science, Suan Dusit Rajabhat University, Thailand
E-mail: chayananmail@yahoo.com²Faculty of Business, Wismar University of Applied Sciences, Germany
E-mail: kai.heuer@hs-wismar.de**ABSTRACT**

The research was to investigate actual factors affecting marketing effectiveness in the cultural tourism. The conceptual framework was developed from the competitive advantage theory on industrial organizations and other contemporaneous research in marketing effectiveness. Accordingly, the researchers consider the importance of the factors supply chain strategy, low costs strategy and differentiation strategy. In this the researchers employed both qualitative and quantitative research approaches. The instruments of research were two steps: interviews and a questionnaire. Data were collected from administrators of the business tourism industry. Data collected were analyzed using the path modeling and on the basis of observing the actual marketing effectiveness of the organizations studied through all operational links in the supply chain.

Findings are as follows: Application of supply chain strategy, low costs strategy and differentiation strategy was explanatory for the variance in marketing effectiveness at 37.2 percent ($R^2=0.372$). The application of supply chain strategy was explanatory of all variances in differentiation strategy at 77.6 percent ($R^2=0.776$) and the application of supply chain strategy was explanatory of all variances in low costs strategy at 79.3 percent ($R^2=0.793$)

Keyword: Marketing Effectiveness, Competitive Advantage, Cultural Tourism

INTRODUCTION

Nowadays a tourism industry is an important industry that creates a very high income for Thailand. The tourism industry has become vital to the Thai economy. There are several types of tourism, such as conservation tourism, green tourism, cultural tourism etc. These types of tourism have become the tourists' options. The tourists can choose different destinations. Business operators will draw tourists to their services. These business operators must apply techniques and methods. Meanwhile, they must use administrative strategies to make their businesses grow and increase incomes. They must have a higher market share and sales volume. Their businesses can grow if they strengthen competitive advantages [16, 17]

Historical tourism or cultural tourism business is unique in itself. For example, it has arts and ancient objects, Buddhist temples, Buddha image halls and sacred items. Most of them are ancient objects that cannot be found anywhere else in the world, which is the selling point of this business, depending on which business strategy the management needs to apply for the administration and for the maximum benefit of the business. To apply the strategy, the organization must also be ready. All strategies used for the administration sometimes require a high cost of investment. If the business has a limited budget and should select only one strategy for administration, how will it select the strategy that renders the maximum benefit [16, 17].

REVIEW OF LITERATURE**Resource Dependency Theory**

Resource dependency theory has a main principle concerning the business development using of the main resources that are available, by adding and modifying to add value to these resources. It is the way to improve the business power base. This theory has been applied for building the added value to the available resources, by developing the works of agencies. Meanwhile, the existing information system has been improved [1, 9, 19]. Besides, the theory has

been applied to strengthen the relationship between organizations and the internal relationship to speed up the work, reduce working hours and cost. It is important for the business performance and administration [8, 21, 27].

Competitive Theory

Porter has proposed two forms of competitiveness that enable the industry to have advantages as follows:

Cost advantage means the business must have lower costs than other business entities in terms of production capacity, product innovation as well as quicker delivery. Besides, customers will receive a higher added value from low-costs [19, 20, 21].

Low-cost leadership strategy requires the business potential to produce products and services with lower costs than those of the competitors. Meanwhile, customers' satisfaction remains the same. Although the products are sold at the same prices, the profits from sales remain unchanged. The low-cost leadership strategy focuses on three factors including 1) lower logistic costs for all activities 2) lower raw material costs by acting as a major sales distributor 3) lower location costs by locating near sources of raw materials called just-in-time cost reduction [20, 21].

Differentiation advantage means the creation of the cultural unique value in terms of quality, style and after sales service. These differences are so unique for the culture that makes it far beyond their competitors, enabling the business to have a higher advantage [21].

Differentiation strategy focuses on the competition effectiveness of successful businesses. The differences consist of product quality and response to customers' different needs. Delivery and service activities must be able to compete with competitors. Unfortunately, the cultural tourism business has insignificantly focused on this service activity.

The competitive advantage of product quality differences will focus both on the style and the benefit that should differ from competitors. Moreover, the services, include the credit policy, the delivery policy, the sales policy, and the sales promotion are different from competitors [21, 22].

Supply Chain Strategy

Successful businesses focus on the following marketing effectiveness:

Relationships between businesses and customer. Good relationships are a beginning of trust between customers and businesses. In the supply chain, both sides must trust each other, leading to long-term relationships. Most businesses always focus on their customers and forget their suppliers. They misunderstand that the suppliers must care for them, causing the lack of good relationships in terms of mutual benefits. If businesses also focus on their suppliers, they will see the suppliers' potential. This focus will lead to the selection of major suppliers. When their good relationships continue, the mutual planning and the product development exist [3, 7, 9, 14, 25].

Collaboration in work process for effective mission. Several academics have explained the effectiveness of the work process. The effective work process must have a clear mutual goal [10, 16]. In general, work specifications must be mutually agreed upon including 1) all work specifications should be jointly set up. 2) Resources and personnel should be shared. 3) Work measurement and evaluation should be conducted to see whether the work meets its goal. 4) Work performance should be jointly developed [6, 17] to achieve the goal [3, 12, 14].

Mutual improvement of work system. The first priority is to plan together [10, 16] to ensure working step reduction, inventory reduction and delivery of raw materials and products by joining in solving problems and improving the work system. The latter should be tailored to match with the business environment. In addition, the shared resources and the changing environment of the business have to be considered. By doing so, the business can work smoothly, leading to flexibility and enabling the business to adjust itself to the changing environment [9, 15, 26].

Benefit sharing is the main principle of the business. Alliance strategy should be applied to strengthen the cooperation among businesses to ensure good working cooperation. Successful businesses must have trust on their counterparts, as they share benefits and risks. Businesses agreeing to cooperate as business alliances must make

written agreements stipulating conditions appropriate for all parties. Furthermore, appropriate benefits must be clearly stated for each party. Significant particulars must be recorded, comprising details of joint work, shared resources and personnel and mutual work measurement and evaluation [9, 11, 12].

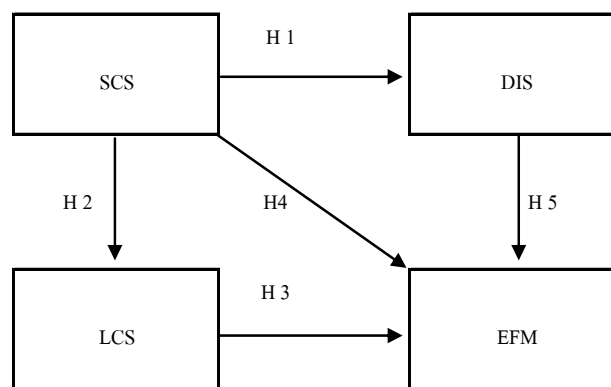
Marketing Effectiveness

Most businesses look at a long-term picture to ensure an acceptable outcome. It means that businesses, the marketing share of which continues increasing, find that the clear goal and outcome must be obviously stated. According to the competition theory, successful businesses having a high market share must focus on their continued development strategy. The strategy must be appropriately applied. The result of the strategy implementation must derive from the good internal process analysis of the business. The business must have a clear working goal, leading to the expected outcome. Additionally, the business must focus on the result of the continued relationships. The sales increase of the business must come from the development and the improvement of various aspects of activities, considering customers' views as a main factor, consisting of trust strengthening, communication to customers regarding the business and its products. Moreover, the market must be expanded to reach new customers to ensure the sales increase. The assessment of the sales and the revenue increases must be averagely conducted every three years for apparent results [5, 15, 20, 21, 22, 23, 24].

Conceptual Framework

The conceptual framework was developed from the competitive advantage theory and resource-based theory of industrial organizations and other contemporary research in marketing effectiveness.

Figure 1:
Proposed Model of Marketing Effectiveness



Hypotheses Testing

$$\begin{aligned} \text{EFM} &= \beta_0 + \beta_1\text{DIS} + \beta_2\text{LCS} + \beta_3\text{SCS} + \zeta \dots\dots\dots(1) \\ \text{DIS} &= \beta_4 + \beta_5\text{SCS} + \zeta \dots\dots\dots(2) \\ \text{LCS} &= \beta_6 + \beta_7\text{SCS} + \zeta \dots\dots\dots(3) \end{aligned}$$

METHODOLOGY

This research employed both qualitative and quantitative research approach. The researchers divided the study into two steps. Firstly, relevant theories and literature in connection with an examination of the general conditions and the problem situation of the tourism industry were reviewed. Then, in-depth interviews were conducted with fifteen tourist business and high-ranked administrators of these organizations in order to determine what the actual problems are and to generate guidelines that can be applied to find solutions.

The instruments of research were two steps, interviews and a questionnaire. The sample survey encompassed data from 90 of 120 general managers of tourism business in Thailand [4]. Data collected were analyzed using the path modeling on the basis of observing the actual marketing effectiveness of the organizations studied through all operational links in the supply chain. Data were analyzed through path modeling to determine model causality using SPSS software.

FINDINGS

On the basis of the findings derived from in-depth interviews and the study of general conditions and problems in the tourism industry, the following three significant problems in the industry's supply chain were isolated in four paths: 1) Supply chain strategy 2) Differentiation strategy 3) Low-cost leadership strategy 4) Marketing effectiveness.

Table 1
 Factors Derived from In-Depth Interviews to Be Used in Formulating Guideline for the Solution of Problems

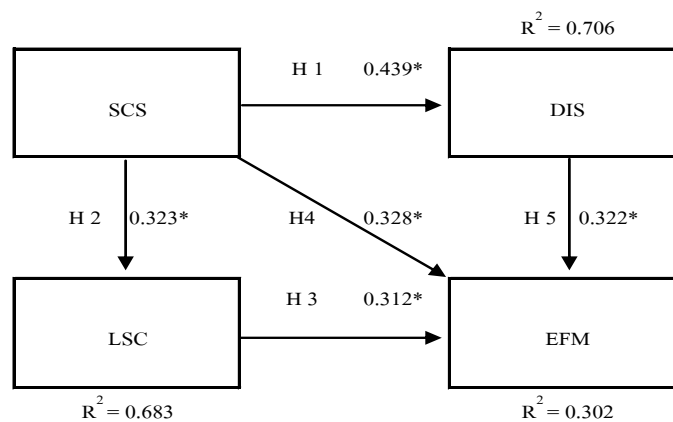
Variable	n	Mean	S.D.	result
Supply chain strategy				
Joint operation process for jobs quality	90	3.69	0.78	most
Joint good relationship between organization	90	3.99	0.93	most
Joint improve organization policy	90	3.91	0.93	most
Joint used to resource	90	3.52	0.64	most
Joint to benefit sharing	90	3.55	0.92	most
Differentiation strategy				
The increase differentiation tourist attraction	90	4.21	0.44	mostly
The increase differentiation to credit sale	90	3.84	0.58	most
The increase differentiation to promotion for sales	90	4.27	0.71	mostly
The increase differentiation to convenience service	90	3.34	0.58	most
Low-cost leadership strategy				
We have reduction process activity to necessary	90	3.91	0.72	most
We have control raw material with mostly purchasing	90	4.15	0.78	mostly
We have trade contact between tourist attraction	90	4.84	0.88	mostly
We have reduction raw material of tourist	90	4.12	0.66	mostly
we have reduction transportation between tourist attraction	90	3.82	0.63	most
Marketing effectiveness				

The company has enhance market share	90	3.93	0.58	most
The company has enhance total sales	90	3.81	0.89	most
The company has enhance sale	90	3.92	0.87	most

Table 2
 Findings on the Basis of an Overall Analysis of the Factors Influencing Logistics Performance

	Assumption			Correlation	R ²	β	t - value	p - value	Results
	Independent	Dependent							
H1	SCS	DIS	positively	0.473*	0.706	0.439	2.797	0.008	support
H2	SCS	LCS	positively	0.344*	0.683	0.323	2.332	0.025	support
H3	LCS	EFM	positively	0.340*	0.302	0.312	2.322	0.011	support
H4	SCS	EFM	positively	0.480*	0.302	0.328	2.322	0.011	support
H5	DIS	EFM	Positively	0.398*	0.302	0.322	2.311	0.011	support

Figure 2
 Path Analysis Modeling



DISCUSSION OF FINDINGS

Strategies of business tourism affecting marketing effectiveness are as follows:

(1) Low-cost strategy consisting of the reduction in the work process and improving trade systems by contact both business tourist attraction and business tourist attraction.

(2) Supply chain strategy the components of which consist in the use joint good relationship both internal and intra organization and the used improve organization policy.

(3) Differentiation strategy consisting of the tourist attraction and sales promotion.

In addition, all businesses involve significant subsidiary factors for a total of 14 factors. Each of these should be taken into consideration by the tourism industry in solving problems in order to ensure success in marketing effectiveness. Indicators for the marketing effectiveness of the tourist industry consist of enhanced market share, total sales and total income sales. Altogether, there are three important aspects in this connection.

CONCLUSION, DISCUSSION AND SUGGESTIONS

The result from the study of the marketing effectiveness using various strategies in the tourism industry has been analyzed in three aspects as follows: The low-cost strategy has influenced the marketing effectiveness with the significance level at 0.011. The differentiation strategy has influenced the marketing effectiveness with the significance level at 0.011. The supply chain strategy has influenced the marketing effectiveness with the significance level at 0.011 and supply chain strategy, low costs strategy and differentiation strategy were explanatory of the variance in marketing effectiveness at 30.2 percent ($R^2=0.302$). The supply chain strategy has influenced the low-cost strategy with the significance level at 0.025 and the application of supply chain strategy was explanatory of all variances in low costs strategy at 68.3 percent ($R^2=0.683$). The supply chain strategy has influenced the differentiation strategy with the significance level at 0.008 and supply chain strategy was explanatory of all variances in differentiation strategy at 70.6 percent ($R^2=0.706$). Consequently, the supply chain strategy must work with the low-cost and the differentiation strategies to get good results. Thus, businesses should implement all of the three strategies. There are altogether 14 elements that should be implemented.

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