The Market Positioning of Tourism Industry in Taiwan—An Application of Resourced-Based Theory

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Abstract—According to the data of Taiwan Tourism Bureau, since the opening of Chinese tourists to Taiwan from the 18th of July, 2008, the number of Chinese tourists has increased dramatically from 0.329 million in 2008 to 1.63 million in 2010. For the first time in the record of Taiwan inbound visitor, the number of visitors from Mainland China exceeds those from Japan and becomes the largest visitors to Taiwan.

At present, most tourists from Mainland China visit Taiwan with travel groups, the tour package planned and promoted either by Chinese or Taiwanese travel agencies will have significant impact on the satisfaction of Mainland Chinese visitor and their image on travel in Taiwan. Previous research on the image of Taiwan was entirely conducted before 18th of July, 2008. The images of a tourist about a destination were influenced by factors such as time of travel, physical environment, and distance of travel, and images about a certain destination might change after the actual visit of that destination. One of the purposes of the current research is to investigate the similarities and differences of their image changes before and after the Mainland Chinese tourists can travel to Taiwan without restriction.

Up until August, 2011, the number of countries where Mainland Chinese is free to visit has reached 111. Among these destinations, what unique tourist resources in Taiwan could continuously attract Chinese tourists has become one of key issues that need to be addressed. Therefore, the current study applies the view point of resource-based theory, and intends to interview representatives from the tourism industry, government, and academic circles to identify the unique core advantages of Taiwan, the result might help to develop consolidated tourism policy and help shaping the future tourism marketing strategies.

Keywords—Destination Image, Mainland Tourists, Outbound Travel, Resource-Based Theory.

I. INTRODUCTION

According to the relevant data, the number of Chinese tourists has increased, ranking the No.1 for the source of outbound tourists in Asia, and still increasing toward the target of 83.75 millions times [1].

National Tourism Administration of the People’s Republic of China [2] points out in the China Tourism Statistics Bulletin in 2009 that Taiwan ranks No.6 at total travel times as the outbound travel area for Chinese tourists, increasing 253.4% relative to 2008. However, in the report of the same kind of statistics in 2010 [3], the growth rate decreases 68.6%, despite of the rank of total travel times rising to No.5. From another perspectives, according to the data of Tourism Bureau, Rep. of China [4] in recent ten years, the tourist coming to Taiwan has increased from 2.831 million times in 2001 to 6.083 million times in 2011. Since the restriction forbidding Chinese tourists has been loosen on July, 18th, 2008, the number of Chinese tourists has increased fast from 329 thousand in 2008 to 1.78 million in 2011, exceeding Japanese tourists, becoming the biggest source of tourists in Taiwan. According to above data, Taiwan is still attractive to Chinese tourists, who are still the most important source of income for tourism industry in Taiwan. For the strategy of the development of tourism in Taiwan, the most important mission is how to stabilize the amount of Chinese tourists.

Until February, 2012, destinations of outbound travel countries (areas) permitted by Chinese government have reached 113 countries (areas) [5]. Pike [6] proposes that the travel destination image will affect tourists choosing travel destinations. When there are multitudes of travel destinations able to be chosen, the travel destination image will become one of the important factors for decision. At present, most tourists from Mainland China visit Taiwan with travel groups. No matter the package of the whole travel, the delivery of travel destination image, or the provision of the requirement of tourists to the receiver of travel destination, the viewpoint from the travel agency is important and valuable.

Nevertheless, image will be affected by the factors of time, environment, and distance [7]. After the secret veil of Taiwan has been revealed, do Chinese tourists change the image of the tourist destination in Taiwan? Do travel agencies adjust the execution of marketing at the product package and image promotion? Among these competitors, which existing core resource of Taiwan can become attractive to Chinese tourists? Above all are the questions this research trying to investigate. Accordingly, the purposes of this research are as followings:

1) From the perspectives of travel agencies in China and Taiwan, we try to understand the cognition of Chinese tourists about the destinations images toward Taiwan, and compare the difference of these images between before
and after the restriction forbidding Chinese tourists has been loosen.

2) From the perspectives of industry, government, and academia, we try to confirm the unique core advantage of tourism industry and find out the niche for future travel package and tourism policies, in order to benefit the development of our tourism industry.

II. LITERATURE REVIEWS

A. Destination Travel Image

The concept of the image of travel destination is derived from the development of attitude theory by Fishbein and Ajzen [8]. They argue that the construct of attitude should be distinguished from the construct of belief, and define the construct of belief as the convergent of information, held by individuals, about some object, whereas attitude is defined as the evaluation of individuals about liking or disliking some object. The ways of evaluation can be divided further into two parts, cognitive and perceptive evaluations. Through attitude theory, positive attitude or positive destination image will cause higher inclination of travelling to that destination.

Following researchers apply Fishbein and Ajzen’s [8] contention and constructs to conduct empirical researches ([9]-[11]) and put forth various definitions ([9], [12]-[14]). Among them, the most cited definition, proposed by Crompton [12], is that destination image is the summation of belief, thought, and image of individuals or groups toward a destination [7].

When a tourist decides a travel destination, the destination image is an indispensable factor [15]. The importance of the marketing for tourism products and packages prompts the development of relevant researches about destination image and its formation (e.g., [6]-[15]). Gallarza et al. [7] conclude four main characteristics of complexity, diversity, relativity, and dynamics, after they analyze the relevant researches about destination image.

Gunn [16] points out that image can be categorized into existing image and induced image. The former, which is hard to change, is the information not directly related to the destination, and the latter is the advertisement for promotion related to the destination. Induced image can change the destination image of a tourist through the status of destination in market and certain way of manipulation. Gartner [17] claims destination image comprises cognition, affection, and conation. However, it needs further clearer definition to confirm whether these three components coexist [18]. The recent researches define that cognition or perception is about the belief in and knowledge of the destination, affection is about the individual feeling toward travel destination, and conation is the tendency of behavior caused by aforementioned two components ([19]-[20]).

As to the measurement of travel destination, except conation and whole image can be measured by semantic differential scale directly, the measurement of cognitive and affective images will vary with different subjects. With regard to cognitive image, Echtern and Ritchie [21] use three continuums: attribute-holistic, functional-psychological, and common-unique to construct destination image. Law and Cheung [22] and Leung, Law and Lee [23] adopt the dimensions of shopping, accommodation, meals outside hotels, transportation, and attractions. Alvarez and Campo [24] discuss destination images through seven dimensions, i.e., notoriety and reputation, security, level of development, respect for liberties, cultural attraction, tourism services, entertainment and leisure, whereas Jeong, Holland, Jun and Gibson [25] elicit seven factors, i.e., local attractions, outdoor and cultural attractions, local quality of life, nightlife, comfort and safety, price, and similarity in culture, through factor analysis.

In the part of affective images, Russel, Ward and Pratt [26] set forth two kinds of dimensions, namely, arousing-sleepy and pleasant-unpleasant, which can interact with each other and further categorize another two dimensions, i.e., exciting-gloomy and relaxing-distressing ([9], [10], [15], [19]).

The main purpose of this research is to discuss the travel image of Chinese tourists toward Taiwan. Reviewing from relevant literatures, most studies uses Chinese tourists as main subjects ([11], [27]). As to using tourism practitioners as subjects, this kind of research is relative less [28], and the period of investigation is before the restriction forbidding Chinese tourists being lifted, not after. Thus, this research wants to use tourism practitioners as subjects, and to compare before and after the restriction forbidding Chinese tourists being loosen whether the image of Chinese tourists toward Taiwan has changed from the perspectives of Chinese and Taiwanese tourism practitioners. We believe this research can complement extant literatures.

B. Resource-based Theory

In recent years, the tourism polices of both Chinese and Taiwanese governments often changes with the different ruler or ruling party. This situation makes the whole tourism market full of uncertainty and executors of related businesses difficult to deal with. Besides political factors, both nature disasters (e.g., floods, tsunami, earthquakes, storms, etc.) and man-made calamity (e.g., wars, terror attacks, etc.) will affect tourists’ images and choices of travel destination. Under these uncontrolled and unexpected factors of surroundings, the resource-based theory arises.

The philosophical view of resource-base theory is “to reflect and try to find advantages and chances by oneself”. The contention of this theory is that the firm should put more effort to elevate its own capabilities, deal with outside changes calmly by these excellent capabilities, and wait for the chances [29]. Resource-based view (RBV) mainly derived from the theories of strategic management [30]. Relevant development can be tracked back to “unique competence” ([31]-[33]), which includes the unique capabilities, owned by a enterprise, of technology, management, design, marketing, and coordination of each resource and knowledge [29], using “the view of resource” instead of “the view of product) to make analyses [34]. In 1991, Grant [30] replaced the phrase of “resource-based view (RBV)” with “resource-based theory
(RBT)” and reach consensus about this theory in academics. Its two basics assumptions are as followings [35]:
1) In the same industry or strategic group, the strategic resource each firm can command is dissimilar, that makes
difference among these firms.
2) These distinctions among these firms are not easy to be
imitated.

As to relevant definitions, many scholars ([30], [34]-[37])
deem that RBV emphasizes the unique resource and
competence inside an enterprise, which is the basic source of
profit, and can be accumulated and cultivated to form a kind of
long-term and lasting competitive advantage. Porter [38]
depicts RBT as the unique competitiveness within the firm. Wu
[39] contends that RBT is the way of consideration based on the
resource connected with corporate competitive advantages and
the decision of growth, and cares about distinguishing,
clarifying, cultivating, developing, and maintaining corporate
core or critical resources.

Barney [35] further points out that if a firm wants to have
lasting competitive advantages, these core resources must be
with features of value, rareness, imperfect imitability, and
insubstitutability. Grant [30] believes that the corporate
competitive advantage depends on resources with characteristics of durability, transparency, transferability, and
replicability. Hill and Jones [40] describe the resources, which
then can become the unique corporate competitive advantage of
a firm, with independent and valuable features. Wu [39] then
depict the key successful factor of core resources should have the features of uniqueness, specificity, complexity, ambiguity,
and tacitness. There are various categorizations of RVT,
depending on the research direction of each scholar.

After reviewing relevant researches about tourism industry
in Taiwan applied RBT ([41]-[43]), it can be concluded that the
most popular topics are about bed and breakfast (B&B) and
international hotel, covering only the field of local resources,
not discussing the whole tourism resources in Taiwan.
Therefore, this research will discuss the unique inner core
competitiveness of the whole tourism industry in Taiwan from
perspectives of industry, government and academics. The
results will be compared with the travel destination images in
Taiwan derived from Chinese tourists observed by Chinese and
Taiwanese tourism practitioners. The purpose is to understand
which travel destination images belong to the existing inner
core competitive advantages, that can be maintained and
developed, of the whole tourism industry in Taiwan, and also
understand which travel destination images we neglect for a
long term but has potential to become the element of core
advantage for forming travel image. The element we neglect
can not fully describe the completeness, uniqueness, and
atmosphere of the topic. When a study is to discuss the distinct
and whole image of travel destination, it is better to adopt
quantitative methods [44].

The purpose of this study is to apply RBV to investigate the
position of the whole travel market in Taiwan, and this issue is
within the range of the uniqueness of the whole tourism in
Taiwan and the whole travel images, to understand the changes
between before and after the restriction forbidding Chinese
tourists is lifted and find out the unique inner core advantage of
tourism industry in Taiwan at the same time. For reaching this
purpose, the purposive sampling will be conducted, combined
with snowball sampling and semi-structured interview to collect relevant data. The subjects and outlines of interview in
this study can be divided into two parts as followings.

A. Related Tourism Practitioners in China and Taiwan

At beginning, the related tourism practitioners in China and
Taiwan will be investigated. According to the latest statistics
data from National Tourism Administration of the People’s
Republic of China [45], there are 164 Chinese travel agencies
handle the business about travelling in Taiwan. Among them,
there are 75 permitted travel agencies, 45.7% of total travel
agencies, located in seven areas, i.e., Beijing, Guangdong,
Fujian, Shanghai, Zhejiang, Jiangsu and Shandong. In addition,
the latest statistics data from Tourism Bureau, Rep. of China
show that there are 2,341 travel agencies in Taiwan [46].
Among them, 385 travel agencies have experience in handling
the business for Chinese tourists travelling in Taiwan [47].
Hence, this research will collect data from aforementioned
travel agencies, which really involve the practice for Chinese
tourists travelling in Taiwan, and try to understand the
cognition of Chinese tourists about travel destination images,
from perspectives of these travel agencies.

Furthermore, part of this research is to compare the changes
about travel destination images of Chinese tourists toward
Taiwan between before and after the ban forbidding them is
opened, so the result of previous research “positioning analysis
of Taiwan travel market- perspectives of travel related
practitioners from China and Taiwan” [28] will become the
representation of their travel destination images toward Taiwan
before the ban forbidding them is opened, and compared with
the result from this research. In order to make the specification
of comparison the same, this research will utilize relevant
questions from previous research “positioning analysis of
Taiwan travel market- perspectives of travel related
practitioners from China and Taiwan” [28], and modify these
questions to match current situation of travel market to become
the interview outlines in this phase of study. The outlines of
interview can distinguish into travel practitioners in China and
Taiwan, as listed in Table 1 and Table 2.

B. The Tourism-related Industries, Government, and
Academics in Taiwan

For reaching the purpose of confirming the unique inner core
advantage of tourism industry in Taiwan, interviewees will
include people from tourism-related industries, government, and academics. The qualifications of interviewees must meet one of following conditions:

1) The travel-related Industries should locate in Taipei, Kaohsiung, Taichung, and Hualien, where are the main gates of arrival and departure and sightseeing cities.
2) The person belongs to upstream or downstream of related travel industries and has experience about management decision or operation, really getting in touch with Chinese tourist.
3) The person has work experience in related associations (private sector) and ruling departments of government (public sector).

Lin [48] suggests that in order to provide tourists better services and benefit long-term development, the tour in China should elevate from six elements, namely, “eating, living, transportation, sightseeing, shopping, and entertaining”. This study will apply these six elements as the foundation to investigate the unique inner core advantage of tourism industry in Taiwan. Besides, the questions of previous research “positioning analysis of Taiwan travel market- perspectives of travel related practitioners from China and Taiwan” [28] will be picked to form the outline of interview in this phase. The questions are listed as Table 3.

For facilitating the interview, before official interview, researchers will visit them in person, call them and explain the purpose and content of this study, and ask their willingness of being interviewed. For facilitating the following analyses, researchers also will inform and explain to them the necessary of recording. In the process of official interview, at beginning, some principles of interview will be proclaimed and omission after the recording is transformed into the manuscript, the “agreement of interview” will be signed as the evidence that the interviewee agree to be interviewed under recording. These recordings will be transformed into manuscripts, which will be elicited and analyzed with the method of content analysis.

IV. EXPECTED RESULTS

This research will utilize tourism practitioners in China and Taiwan as subjects and investigate the travel destination images of Chinese tourists toward Taiwan, especially the changes and differences after the aforementioned restriction is loosen. At the same time, based on resource-based theory, this research also will query subjects from tourism industry, government, and academics about which existing core resources in Taiwan can attract Chinese tourists. The result of this research not only can prompt related practitioners to adjust their travel product packages and the promotion of images, but also can become references for government to make future tourism policies, which will have great contribution for the development of tourism industry and nation.

REFERENCES


THE OUTLINE OF INTERVIEW FOR PRACTITIONERS IN TAIWAN

1. Which main service your company provides?
2. Which country and area is within the range of outbound travel businesses in your company?
3. How many percentages your customers participate in long-distance and short-distance trips respectively?
4. In your opinions, what are the main reasons Chinese tourists will be attracted to travel in Taiwan?
5. In your opinions, in this stage, which annoying situations have happened?
6. Where have you ever been in Taiwan?
7. In your memory, which more positive and negative image in Taiwan?
8. What positive and negative comments have you ever heard from those tourists who have been to Taiwan?
9. In your opinions, what official tourism departments can do to help practitioners and reach win-win situation?
10. In your opinions, about Chinese tourists travelling in Taiwan, which issues have not been mentioned but you think they are important?
11. What is your suggestion about the current arrangement of the itinerary in Taiwan?

The OUTLINE OF INTERVIEW FOR PRACTITIONERS IN CHINA

1. Which main service your company provides?
2. Which country and area is within the range of outbound travel businesses in your company?
3. How many percentages your customers participate in long-distance and short-distance trips respectively?
4. In your opinions, what are the main reasons Chinese tourists will be attracted to travel in Taiwan?
5. In your opinions, in this stage, which annoying situations have happened?
6. Where have you ever been in Taiwan?
7. In your memory, which more positive and negative image in Taiwan?
8. What positive and negative comments have you ever heard from those tourists who have been to Taiwan?
9. In your opinions, what official tourism departments can do to help practitioners and reach win-win situation?
10. In your opinions, about Chinese tourists travelling in Taiwan, which issues have not been mentioned but you think they are important?
11. What is your suggestion about the current arrangement of the itinerary in Taiwan?

The OUTLINE OF INTERVIEW FOR SUBJECTS FROM RELATED INDUSTRIES, GOVERNMENT, AND ACADEMICS

1. Which main service your company provides?
2. Which country and area is within the range of outbound travel businesses in your company?
3. How many percentages your customers participate in long-distance and short-distance trips respectively?
4. In your opinions, what are the main reasons Chinese tourists will be attracted to travel in Taiwan?
5. In your opinions, in this stage, which annoying situations have happened?
6. Where have you ever been in Taiwan?
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