

The factors that contribute to Da Nang's competitiveness as a tourism destination in Vietnam

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KEYWORDS

Da Nang City,
Destination
competitiveness,
Key competitiveness
factors,
Tourist perspective.

ABSTRACT

Tourism is one of the fastest-growing industries in the world. However, after the Covid-19 pandemic, this industry has been severely affected worldwide. To recover the tourism sector and attract tourists back to destinations, it is important to consider whether a destination has any notable competitive advantages compared to others. The opinions and perspectives of tourists in evaluating the attractiveness of a destination are crucial because they directly influence their decision to visit that destination. However, currently, the number of studies based on the demand-side perspective is relatively scarce compared to the supply-side perspective. Therefore, the purpose of this research is to examine the impact of resources and capabilities in enhancing the destination competitiveness of Da Nang City from the tourists' perspective. The research conducted a survey of 415 domestic tourists visiting Da Nang City through an online survey on social networks, namely Facebook and Instagram. The research provides an in-depth understanding of specific factors and their influence on the destination competitiveness of Da Nang City. These findings will be valuable for marketing strategies and destination management to enhance the competitiveness of Da Nang City as a tourist destination.

1. Introduction

The tourism industry plays a vital role in the economic growth and development of countries around the world. As destinations strive to attract tourists and gain a competitive edge, it becomes crucial to assess and understand their competitiveness in the global tourism market. The competitiveness of destinations is not a new topic, and many researchers have been interested in this issue for a long time. Current research predominantly assesses destination

competitiveness through expert or supplier perspectives within the tourism industry, with only a small fraction, approximately 14%, considering the viewpoints of tourists directly (Cronjé, 2020). However, tourists' perceptions significantly influence their destination choices and play a crucial role in evaluating a destination's appeal relative to others in the region. Despite their pivotal role, there remains a notable gap in the literature regarding studies that prioritize the tourist perspective. This gap hinders a comprehensive understanding of how tourist

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<https://doi.org/10.61602/jdi.2024.77.13>

Submitted: 19-Apr-24; Revised: 16-Jun-24; Accepted: 18-Jun-24; Online: 05-Jul-24

ISSN (print): 1859-428X, ISSN (online): 2815-6234

perceptions shape destination competitiveness. Similar observations have been made in international studies, highlighting the global relevance of this research gap (Hong, 2009; Hamarneh, 2015; Smith & Johnson, 2018; Chen, 2019). In Vietnam, studies also reflect a similar trend, where research largely focuses on expert opinions rather than the direct input of tourists (Nguyen, 2019; Bui & Le, 2017). Therefore, there is a pressing need for more research that incorporates and prioritizes the voices of tourists to enrich the discourse on destination competitiveness and inform more effective tourism strategies globally, including in Vietnam.

Da Nang City, known as the most livable city in Vietnam, situated on the country's central coast, has experienced rapid tourism growth in recent years. Each year, this city attracts millions of domestic and international tourists. In order to sustain and enhance its competitiveness, it is essential to evaluate and identify the factors that contribute to its success as a tourist destination. However, no previous research has applied Dwyer's (2003) destination competitiveness model to assess Da Nang City as a destination based on the perspectives of tourists.

The objective of this research is to fill the existing research gaps by identifying the factors that contribute to the destination competitiveness of Da Nang City based on the evaluations of domestic tourists. The research conducted a survey using non-probability sampling methods on social media platforms, namely Facebook and Instagram, targeting 415 tourists. The findings of this research will contribute to the existing body of knowledge on destination competitiveness and provide practical implications for destination management organizations, policymakers, tourism businesses, and local communities in Da Nang City. The outcomes will help in formulating evidence-based strategies to improve destination competitiveness, attract more tourists, and ensure sustainable tourism development in Da Nang City.

2. Literature review

2.1. Destination competitiveness

Dwyer & Kim (2003) developed a comprehensive model based on their research of tourism competitiveness between two countries, drawing from variables identified in previous studies on destination competitiveness (Buhalis, 2000; Crouch & Ritchie,

1999; Hassan, 2000). Their model comprises seven main determinants of destination competitiveness, with a distinctive recognition of demand conditions as a determinant which includes Endowed resources, Created resources, Supporting factors, Destination management, Situational conditions, Demand factors, and Market performance.

This research applies the theory of destination competitiveness of Dwyer et al. (2003) because this theory considers demand conditions as a factor that increases the competitiveness of the destination. This is consistent with the purpose of the research, which is to assess the competitiveness of Da Nang City from a demand perspective, specifically domestic tourists. Factors that enhance destination competitiveness considered in this research include Endowed resources, Created resources, Supporting factors, and Demand factors.

2.2. Factors influencing destination competitiveness

2.2.1. Endowed resources

Endowed resources could be defined as the resources that naturally accompany a tourism destination (Dwyer et al., 2003). According to Crouch & Ritchie (1999), the primary factor that determines the attractiveness of a destination is its core resources and attractors. There is a significant variation among host destinations in their inherent and natural attractiveness, as well as their ability to utilize their tourism resources and capabilities. There are various ways to categorize tourist motivations, and endowed resources are only one of the "pull factors" that attract certain types of tourism. According to Dwyer (2003), endowed resources include natural resources and cultural/heritage.

- **Natural resources:** They may provide a significant advantage to a tourism destination and are considered one of the main attractions for tourists in making travel decisions (Lane, 2009). According to Jaafar & Maideen (2012), a tourism destination that is rich in natural resources could eventually increase the competitive advantage of that particular destination.

- **Cultural/Heritage:** The culture and heritage attractors of a destination provide a significant force for the potential visitor (Cohen, 1988; Prentice, 1993; Murphy, 2000). As stated by Liu (2013), cultural heritage plays an important role in tourism destinations, due to the fact that millions of people have already

traveled across the globe just to experience different types of heritage (Dallen, 2006).

2.2.2. *Created Resources*

Many studies, such as Huang & Peng (2012), Croes & Kubickova (2013), and Mendola & Volo (2017) found that created resources have the most substantial impact on tourist destination competitiveness. There are five types of created resources that influence destination competitiveness: tourism infrastructure, range of available activities, shopping, entertainment, and events/festivals.

- **Tourism infrastructure:** Infrastructure forms a basic element of the tourism product. A number of authors, including Inskeep (1991), and Gunn & Var (2002) have recognized the infrastructure base as a potential determinant of the attractiveness of a tourism destination. In the research of Csapó (2016), the effectiveness of structures and infrastructure contributed to improving the images of a tourism destination.

- **Range of activities:** A range of activities available at a particular tourism destination acts as a tool for destination branding (Ayikoru, 2015) which helps to increase the awareness of the tourists towards that destination (Etiosa, 2012). Past studies also assured that varieties of activities available at a tourist destination lead to the enhancement of tourism destination competitiveness (Crouch & Ritchie, 1999; Vengesayi, 2003; Law & Lo, 2016).

- **Shopping:** Shopping is one of the primary motivations to visit a destination (Ritchie et al., 2003). Shopping is for many tourists one of the most popular activities. Even if a tourist might not travel because of shopping, most tourists shop during their vacation (Kinley, 2012). Promoting the shopping ability of tourists is one way to improve destination competitiveness.

- **Entertainment:** In the tourism industry, the entertainment sector is a core resource and pulling factor that greatly impacts the attractiveness of a tourism destination (Ritchie & Crouch, 2010). Researchers such as Song & Cheung (2010) and Ritchie et al. (2010) acknowledged that the availability of entertainment at a tourist destination strengthens the destination competitiveness.

- **Events/Festivals:** They are regarded as the core aspects that can enrich a tourism destination's appeal (Özdemir Bayrak, 2011). Moreover, special

events are the key determinants and motivators for tourists to select a tourism destination as a holiday choice (McKercher, Mei, & Tse, 2006; Maneenetr & Tran, 2014). These factors are a strong base to attract tourists in order to stay competitive over other destinations (Ching, 2019).

2.2.3. *Supporting factors*

Although they are not the primary reasons for destination visitation, supporting factors and resources are essential in ensuring that the value of core resources and attractions is not lost, as well as in enhancing their effectiveness in building a competitive destination. Supporting factors include general infrastructure, quality of service, accessibility of destination, and hospitality. Supporting factors underpin destination competitiveness (Dwyer et al., 2003).

- **General infrastructure:** One of the most important supporting factors is the condition and extent of a destination's general infrastructure. Some elements of infrastructure have a very direct influence on destination competitiveness. A destination is more competitive when transportation systems are reliable, efficient, clean, safe, frequent, and able to take travelers to the locations and attractions of greatest interest (Dwyer et al., 2003).

- **Quality of service:** Destinations have become increasingly reliant on the delivery of quality products and services. Since meeting visitor needs and achieving business goals are increasingly inseparable, a commitment to quality by every enterprise in a destination is necessary to achieve and maintain international competitiveness (Go & Govers, 2000).

- **Accessibility of destination:** Accessibility quality refers to the extent to which customers can easily reach a destination (Chi & Qu, 2008). Prideaux (2000) notes that tourists choosing between alternative destinations are influenced by inefficiencies in the transport system such as uncompetitive practices, safety concerns, comfort levels, and journey time. Therefore, destination accessibility is an integral part of improving destination competitiveness.

- **Hospitality:** Hospitality relates to the perceived friendliness of the local population and community attitudes toward tourists. Resident support for tourism development fosters a competitive destination (Dwyer et al., 2003).

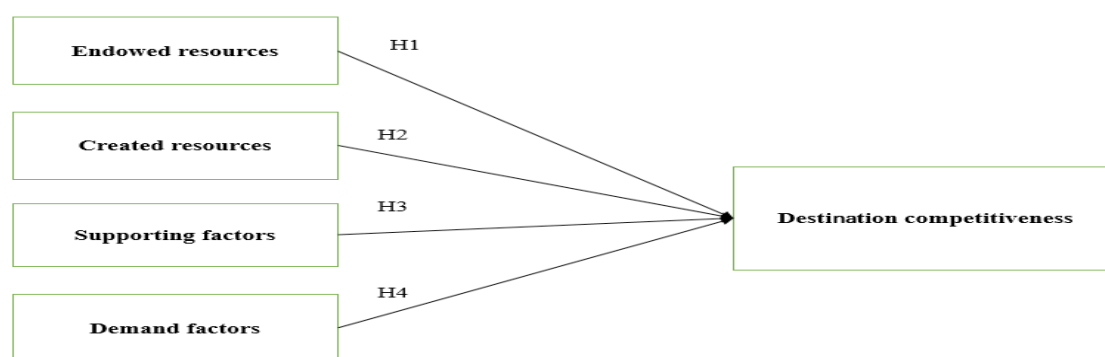


Figure 1. Research model

2.2.4. Demand factors

While the bulk of the discussion of the competitiveness of firms and nations as appearing in the general literature focuses on supply-related items, demand factors assume special importance in determining destination competitiveness. The reason is that a destination may be competitive for one group of tourists but not for another group. It depends on their motivation for travel. Dwyer et al. (2003) highlighted that destination competitiveness studies might explore the role of demand factors in comparing the competitiveness among destinations. Competitiveness comprises three main elements of tourism demand: awareness, perception, and preferences (Dwyer, Livaic, & Mellor 2003).

3. Methodology

3.1. Questionnaire design

The research questionnaire consists of four parts:

Part 1: Introduction to the research topic, objectives, and the significance of the information provided for the research.

Part 2: Content includes questions related to evaluating the factors contributing to the competitiveness of Da Nang City, and questions related to the competitiveness of the destination.

Part 3: Includes demographic information to classify the participants.

Part 4: Participants are asked to provide their email addresses to receive a gift voucher from the researcher.

For the factors influencing the competitiveness of the destination, the questionnaire is developed based on previous research (Dwyer et al., 2003). These

questions are operationalized using a 1-to-5 Likert scale (ranging from “totally disagree” to “totally agree”). The combined set of these five constructs consisted of a total of 24 items.

3.2. Sampling and survey administration

The research participants are domestic tourists who have come to Da Nang city for tourism. Participants were recruited through convenience sampling. Data was collected in March and April 2023, through the two most popular social media platforms in Vietnam, Facebook and Instagram. A total of 438 questionnaires were collected but after a thorough examination, 23 questionnaires were eliminated from this study using the STDEV function of Excel. This left 415 questions to be analyzed. Disqualified questionnaires are data with a standard deviation of 0, which proves that participants chose the same option for all items, resulting in the data sample being unreliable. The study employed IBM Statistical Package for Social Science (SPSS) 22 to analyze data and test the proposed hypotheses.

4. Results

4.1. Sample profile

According to demographic statistics, 54.2% of the participants reported being female. Participants in the age range of 20-39 accounted for 75% of the total, and the majority of them were single, representing 60.8%. Additionally, a high percentage of participants, 88.3%, had a high level of education.

4.2. Variable testing and Reliability testing

Table 1. Socio-demographic profile of participants (N = 415)

Background	Frequency (n)	Percentage of the sample (%)
Gender		
Male	231	55.7
Female	184	44.3
Age		
Below 19	125	30.1
20-29	188	45.3
30-39	67	16.1
40-49	21	5.1
50-59	8	1.9
Above 60	6	1.5
Marital status		
Single	248	59.8
Married	167	40.2
Education background		
High school	157	37.8
Bachelor's degree	193	46.5
Postgraduate	65	15.7

Table 2. Cronbach's Alpha reliability test results

Variables	Cronbach's Alpha	Mean	SD	Ranking
Endowed resources	.895	3.85	.67	2
Created resources	.864	3.90	.75	1
Supporting factors	.836	3.73	.60	3
Demand factors	.816	3.47	.63	4
Destination competitiveness	.887	3.49	.66	

According to the results in Table 2, the Cronbach's Alpha coefficients for the four independent variables and 1 dependent variable are all above 0.8. This is considered a good value for measurement (Nunnally, 1978). Furthermore, the results in Table 2 also indicate the evaluation level of tourists regarding the factors contributing to the competitiveness of Da Nang City. The Mean values for the four factors range from 3.47 to 3.90. Among these four factors, Created resources received the highest rating from tourists (3.90), followed by Endowed resources (3.85). The lowest-rated factor is Demand factors (3.47).

4.3. Exploratory Factor Analysis (EFA)

In the EFA analysis, $KMO = .766 > 0.5$, sig Bartlett's Test = $.000 < .05$, indicating that the EFA exploratory factor analysis is appropriate. All observed variables have factor loadings above .70,

so no observed variables are excluded. The observed variables are classified into four factors: Created resources, Endowed resources, Supporting factors, and Demand factors, with respective proportions of explained variance of 20.179%, 17.776%, 16.952%, and 12.532%. The observed variables in the model account for 67.439% of the variation in the factors.

4.4. Hypothesis test

Before conducting regression analysis, the study performed Correlation analysis and the results all correlations have $\text{sig} = .000 < .05$, so the variables in the model are eligible for regression analysis. As shown in Figure 2, the following four hypotheses were supported: H1: Endowed resources \rightarrow Destination competitiveness (Adjusted R square = 0.513, Sig = .000); H2: Created resources \rightarrow Destination competitiveness (Adjusted R square = 0.402, Sig

Table 3. The result of EFA

	Component			
	1	2	3	4
Created resources				
CRRE1	.832			
CRRE2	.796			
CRRE3	.768			
CRRE4	.842			
CRRE5	.553			
CRRE6	.795			
Endowed resources				
ENRE1		.857		
ENRE2		.842		
ENRE3		.895		
ENRE4		.912		
Supporting factors				
SUFA1			.796	
SUFA2			.735	
SUFA3			.745	
SUFA4			.832	
SUFA5			.779	
Demand factors				
DEFA1				.880
DEFA2				.855
DEFA3				.821
Eigenvalues	3.768	3.286	2.935	2.150
Variance Explained (%)	20.179	17.776	16.952	12.532
Cumulative variance (%)	20.179	37.955	54.907	67.439
N=120; Total variance explained = 67.439; Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.				
Kaiser–Meyer–Olkin (KMO) = .766, Bartlett’s test approximate chi-square = 1061.693, df = 153, significant at .000.				

Table 4. The result of Hypothesis test

Hypothesis	β	t-value	R ²	Result
H1: Endowed resources → Destination competitiveness	.721	12.134	.513	Supported
H2: Created resources → Destination competitiveness	.598	8.755	.402	Supported
H3: Supporting factors → Destination competitiveness	.565	8.317	.375	Supported
H4: Demand factors → Destination competitiveness	.399	5.117	.368	Supported
Notes: β = structure coefficients; R ² = Total coefficient of determination.				

= .000); H3: Supporting factors → Destination competitiveness (Adjusted R square = 0.375, Sig = .000); and H4: Demand factors → Destination competitiveness (Adjusted R square = 0.368, Sig = .000).

$$\text{DECO} = 0.721 \cdot \text{ENRE} + 0.598 \cdot \text{CRRE} + 0.565 \cdot \text{SUFA} + 0.399 \cdot \text{DEFA}$$

4.5. One-way ANOVA

ANOVA (Analysis of Variance) is a parametric statistical technique used to analyze the differences between the mean values of dependent variables (Ronald Fisher, 1918). The results of the one-way ANOVA analysis show that all sig coefficients are

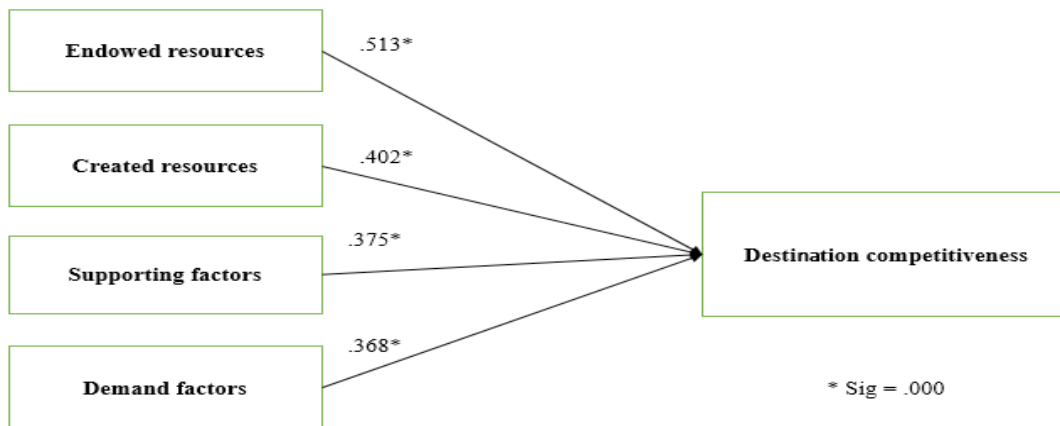


Figure 2. The model test

Table 5. The results of One-way ANOVA

Variables	Sig			
	Gender	Age	Marital status	Education background
ENRE	.682	.278	.127	.649
CRRE	.199	.295	.098	.082
SUFA	.730	.093	.358	.210
DEFA	.630	.395	.365	.666
DECO	.290	.380	.217	.616

greater than .05. Therefore, there is no significant difference in the evaluation of the factors in the model among the different demographic information of the tourists.

5. Conclusion and implication

The research addresses a gap in studies on destination competitiveness from the demand-side perspective. It provides insights into Da Nang City's unique attributes, demonstrating that Endowed resources, Created resources, Supporting resources, and Demand resources all impact its competitiveness. While all factors are rated above average 3, none exceed a rating of 4, indicating room for improvement in meeting tourist needs. Created resources are most appreciated, likely due to well-maintained infrastructure and diverse entertainment options. Endowed resources follow, with Da Nang's natural beauty and government efforts in preservation contributing to high ratings. Demand factors received the lowest ratings, highlighting a need for better alignment with tourist expectations.

Assessing destination competitiveness is crucial for strategic planning and tourism policy in Da Nang City. At the governmental level, protecting natural resources,

encouraging private sector investment in tourism infrastructure, and fostering stakeholder cooperation are essential for sustainable tourism development. The city should also promote its image through social media, television, and international events, and develop mobile applications to enhance tourist experiences. At the enterprise level, creating new tourism products and unique travel experiences will increase tourist satisfaction and loyalty. Businesses should invest in training professional tourism staff and conducting market research to better understand tourist needs and trends, ensuring more effective tourism strategies.

The study has limitations. It faced difficulties in accessing older tourists and those not using social media, potentially limiting data coverage. Additionally, it only surveyed domestic tourists, despite international visitors being a significant market segment for Da Nang. Future research should include both domestic and international tourists to compare their assessments of destination competitiveness factors. Further evaluations could consider visitor satisfaction and perceptions before, during, and after trips, enhancing the understanding of factors affecting Da Nang's tourism competitiveness.

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