DIVERGENT COMPETITIVENESS AND CONVERGENT REGULATION: EVIDENCE FROM THAILAND’S TOURISM

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Abstract
Facing convergent competitions with other ASEAN (Association of Southeast Asian Nations) countries, how Thailand’s tourism resources in different regions balance divergent competitiveness and convergent regulation remains debatable. This article uses BCG matrix to analyze target countries’ tourism competitiveness to different ASEAN countries in various regions of Thailand from the perspective of public good theory. It gives suggestions for local authorities to selectively differentiate target countries based on the resource endowment of different regions of Thailand.

Keywords: Divergent competitiveness; Convergent regulation; Tourism; Public Good

1 Introduction
Tourism resources play a key role in Thailand’s economy. But since the running up of ASEAN Economic Community (AEC) from 2015, Thailand’s dominant role as the No.1 tourist destination in Southeast Asia has been challenged; other ASEAN countries’ convergent tourism resources like Vietnam and Malaysia may bring about the substitution and crowding-out effect to fiercer and convergent competition with Thailand. Besides, Thailand’s government also felt difficult to deal with tourism as regard to the extent and horizon of regulations (Elliott, 1987). How to balance the relationship between free market and governmental regulations (“invisible hand” vs “visible hand”) of tourism resources—the paradox on one hand pursuing differentiated competitiveness, on the other hand protecting the primitiveness of tourism resources—stays academically disputable. This dilemma involves with the nature of tourism resources: should it be public good, quasi-public good, club good or private good?

Many scholars have analyzed the nature of tourism resources. Arrow et al. (2000) thought tourism resources typically are seen as public goods which has externalities to the society and public, especially for natural tourism resources. Healy (1994) first put the concept of public resource into tourism. He used the property theory to analyze the “tragedy of the commons” (Hardin, 2017) in tourism from the perspectives of resource privatization, public administration and property institution. As public good,
tourism resources, especially natural tourism resources, attract tourist by their natural beauties and generate sustainable economic, social, environmental comprehensive benefits under the basis of protection (Knežević and Rade, 2008).

On the other hand, human landscapes, as another kind of tourism resources, present some characters of quasi-public good or common pool good based on their weak exclusiveness and limited competitiveness (Richards, 2000; Menatti, 2017). They are shared by tourists and non-tourists’ welfare (Vanhove, 2017) which were typically owned and managed by public authorities like parks and historic sites, as well as cultural, sport, and recreation facilities and the events held in them (Andersson and Getz, 2009). But other supply subjects (private enterprises or NGOs) could also take a role in the means of PPP or Outsourcing, who have supplementary function besides governments for more effective and efficient ways to deliver tourism resources (Terry, 2008; Bolaky, 2007). These divisions are on the premise of Product Partition Theory and in accord with the classification of divergent characters for tourism resources (Yuan., 2010).

Based on the nature of tourism resources, other scholars studied the role in which governmental regulation should make to protect and develop tourism resources. Healy (2006) holds official or semi-official organizations could perform the administrative function to break through the bottleneck of overuse or ill-use of public resources. It has been widely believed that “tourism development consumes resources, generates wastes, and otherwise imposes negative impacts that have to be prevented or at least managed through various government interventions” (Andersson and Getz, 2009). As the response to market failure of tourism, the introduction of governmental regulations aims at resolving natural monopoly, public goods’ supply, externality and information asymmetry which market could not self-adjust effectively, and further maintain order, enhance efficiency, achieve Pareto Improvement and accelerate social welfare (Kaufmann, 2017; Fifka and Reiser, 2015). With the inner contradiction of development and protection, tourism resources’ nature of public welfare asks for “visible hand” to ensure the rationality of resources allocation and sustainable development (Daniel et al., 2011). Ostrom (1990) has given some implications to this question. Based on the subtractability of use and difficulty of excluding potential beneficiaries, she divided public goods into four types: Public goods; Common-pool resources; Toll goods; Private Goods (Ostrom, 1990). Especially the concept of Common-pool resources has been widely used to illustrate natural resources management (Shivakoti and Ostrom, 2001; Varughese and Ostrom, 2004; Araral, 2014; Mcginnis, 1999).

In all, tourism resources’ divergent characters made it hard to unify their nature of public good, quasi-public good or club good. As for pure public good like those natural resources including mountains, beaches and lakes, the protection of primitiveness and governmental regulation of preventing from overuse or over-merchandization play a dominant role (Shah, Shah, and Khalid, 2007). Concerning the historical resources like cultural relics, their limited rivalry and
competitiveness require reasonable regulation about the price setting to relieve crowding effects (Buonincontri, Marasco and Ramkissoon, 2017). Intangible tourism resources like festivals could be outsourced or cooperated with other sectors (private or NGO) to boost management efficiency (Esfehani & Albrecht, 2018). Other private-like tourism resources as farms or gardens should let the market have its own say under clear property right (Sgroi et al., 2014).

Existing studies have analyzed the market scale differentiation of inbound tourism in Thailand (Liu et al., 2018), but did not consider the interrelationship of regulations and competitiveness from the perspective of divergent regions in Thailand. Geographically, Thailand’s abundant tourism resources could be diversified into different regions: the central part included Bangkok is famous for metropolitan landscape and historical sites; the northern part is full of mountain landscape which included minority tribes (ชาวเขา) and waterfall; the northeastern part is characterized by folk culture like the Rocket Festival (ป่วงปิง); the southern part is well-known as sun and beach; the eastern part is noted for orchard like durian (See Figure 1). This paper creatively analyzes the divergent competitiveness and the rationalities of regulations for different regions of Thailand based on their heterogeneous tourism resource endowment rather than see Thailand as a single market.

(Insert Figure 1 here)

As for Thailand’s tourism resources, on one hand increasingly convergent supply of tourism product in other ASEAN countries dampened Thailand’s own economic and social value of tourism resources as public good. On the other hand, differentiated competitive strategies targeting specific ASEAN countries’ preference may break the primitiveness of tourism resources which governmental regulation is highly needed. How to grasp the two ends of contradiction and keep balance between regulation and diversification remains open. This paper will first use Public Good Theory to explain the rationality and defects of Thailand governmental regulation for different tourism resources. Then it will analyze different competitiveness of ASEAN inbound tourism in Thailand to demonstrate divergent needs. Finally, it tries to reveal some implications about differentiated development strategies of tourism, and how to balance the relationship between differentiated competitiveness and primitiveness of public goods.

2 Research Methodology

In this paper, we use BCG matrix to analyze the market structures, development trends and differentiated competitiveness of different regions in Thailand for target ASEAN countries. Followed by the study of Liu et al. (2018), the BCG matrix are used to analyze tourism markets competition and structure. Especially Liu et al (2018) has analyzed the market scale and growth of different ASEAN inbound tourism in
Thailand from 1996-2015 using BCG matrix. The concrete formula of tourism market indexes are as follows:

\[
\alpha_i^t = \frac{X_i^t}{\sum_{i=1}^{n} X_i^t} \times 100% \\
\beta_i^t = \frac{X_i^t - X_i^{t-1}}{X_i^{t-1}} \times 100%
\]

Where \( \alpha_i^t \) is the tourism market share of the i-th target country in t-period; \( \beta_i^t \) is the tourism market growth rate of the i-th target country in t-period; \( X_i^t \) is the inbound population of the i-th target country in t-period; \( X_i^{t-1} \) is the inbound population of the i-th target country in (t-1)-period; \( \sum_{i=1}^{n} X_i^t \) is the whole inbound population of all ASEAN countries in t-period.

In BCG Matrix, \( \alpha_i^t \) and \( \beta_i^t \) are the axes which divided the whole ASEAN inbound tourism market in Thailand into four parts----- Cash cows, Dogs, Problem Children and Stars-----to analyze every ASEAN countries’ own position and development trend in the coordinate system.

In this paper, most data of our analysis are from statistics of The Ministry of Tourism & Sports of Thailand (กระทรวงการท่องเที่ยวและกีฬา) from 2015-2016 and The Travel & Tourism Competitiveness Report 2017. We chose ASEAN countries as our target countries (include Malaysia, Laos, Singapore, Vietnam, Cambodia, Indonesia, Myanmar, Philippines, Brunei) to specifically analyze the convergent competitions and substitution effects for Thailand’s tourism resources. Due to the complexity and largeness of China as regard to its geographical characters, cultural diversities and natural resources, it is difficult to see it as a single market and analyze its convergent and divergent tourism resources compared with Thailand. So in this paper we didn’t choose China as target country though Chinese tourists are driving the market in Thailand and many other countries in SE Asia.

Besides, we pick Bangkok out from the central part due to its distinctive metropolitan landscape. So Thailand’s tourism resources could be divided into 6 parts geographically based on their own natural and cultural characters.
3 Results

Analyzing the proportions of ASEAN countries’ inbound tourists in different parts of Thailand, we could find the inclinations and preferences of each countries’ tourists, which to some degree shows divergent or convergent competitiveness of tourism resources for their own countries compared with Thailand (see Table 1).

(Insert Table 1 here)

(Insert Table 2 here)

Bangkok

Bangkok, as the capital, the largest and most advanced city in Thailand, is famous for its attractive metropolitan landscape, commercialized products and Buddhist resorts. As the consumption price standard in Thailand is lower than Singapore (See Table 2), Bangkok attracted a lot of Singapore tourists to consume and shopping (held 29%) here. Besides, Bangkok’s convenient transportation (flight, subway and highway) act as boosters and intangible assets for its comprehensive tourism resources, which made it No.1 destination for international tourists domestically, let alone its well-planned city greening, fabulous palaces (like the Bangkok Grand Palace) and temples (like Wat-PhraKeo). Besides, we found Vietnam and Indonesia’s tourists hold larger proportions in Bangkok than in Thailand nationwide, which implied Bangkok’s comparative advantage of its tourism resources and environment to these two countries. Especially for Vietnam (17%), maybe Bangkok’s modernity atmosphere and consumption environment is what Vietnam tourists prefer and lack domestically. On the other hand, relative high-leveled consumption in Bangkok hampered some ASEAN countries’ arrival here (like Laos).

The Central Part (No Bangkok)

The central part of Thailand (without Bangkok) is famous for its religious sites and historical relics like Ayuttaya, Nakhon Pathom and Suphan Buri. As the core of cultural relics of Thailand, Ayuttaya has been listed into The World Heritage List by its valuable and thought-provoking history as public good. From the proportion of ASEAN tourist arrival in central part (without Bangkok), we still find the largest proportion of Singapore and Malaysia tourist (32% and 29% separately) among all ASEAN countries, but in contrary trends. As a modern “city country” lack of historical and cultural relics, Singapore tourists are really interested in historical public goods in Thailand, which made Singapore tourists’ arrival in the central part two times more than nationwide (32% vs 13%). But for Malaysia tourists is the contrary (29% vs 39%), which means the Malaysia tourists’ arrival in central part is lower than average proportion nationwide in Thailand. This is maybe because Malaysia’s abundance of religious and historical relics (like Penang and Malaca), which shows homogeneity with the tourism public good in Thailand’s central part,
naturally decreased the interest and preference of tourist arrival here. These could also apply to Vietnam and some other countries.

The Northern Part

The Northern part, due to its geographical characters, is famous for mountainous landscape and waterfalls like Doi Intanon National Park, Wachiratarn and Siritarn near Chiang Mai in respect to tourism resources. Many tourists come here to go hiking and camping. Still Malaysia and Singapore hold the top 2 largest proportion for all ASEAN countries, but beyond average level nationwide in Thailand (42% vs 39%, 30% vs 13%) both, especially Singapore (more than double of the national level in Thailand). As plain is the main terrain in Singapore, such kind of mountainous landscape does have attraction to Singapore tourist’s arrival in pursue of clean air and other externalities what nature could spread as public good. Besides, there is a booming proportion of Myanmar’s tourist arrival here compared to the average level nationwide (9% vs 4%) thanks to geographical convenience. But only a relative smaller size of other countries’ tourists (like Vietnam, Indonesia and Laos) come here, which is lower than their respective average level nationwide in Thailand. These three countries’ geographical similarities (especially mountainous) may throw light on this as substitution effects take place.

The Eastern Part

The Eastern part, as the main producer of gemstone and fruits in Thailand, is famous for its orchard and forest like Chanthaburi and Rayong. Coastal scenery are also outstanding here like the “Oriental Hawaii” Pattaya. In all, the tourism resources in this region are diversified and mixed. We found that Vietnam’s tourists rise to No.1 proportion of all ASEAN countries (38%) infrequently which even surpass Malaysia and Singapore. This may be partly due to the cultural and geographical closeness between the eastern part of Thailand and Vietnam as a lot of Vietnamese descendants lived here. On the other hand, Malaysia’s homogeneity with tropical rain forest and coastal scenery related to tourism resources made its proportion in the eastern part below the average level nationwide in Thailand. But this convergent substitution effect couldn’t explain the increasing proportion of Indonesia tourists beyond its average level (16% vs 6%).

The Northeastern Part

The Northeastern (Isaan) part, as main agricultural area in Thailand, has still remained a lot of traditional folk cultures like Rocket Festival Yasothan and Candle Festival. For example, the Rocket Festival holds every May in the Isaan region and Laos to pray for abundant rainfall when rainy season come. This kind of folk culture could be seen as tourism public good but owned by the public rather than government. Their unique glamours and cultural meanings undertaken behind could extend social welfare and unite people. We could see Laos’ proportion of all ASEAN countries in
this region dominated other countries. As the language and culture closeness between Laos and Thailand’s Isaan part, many Laotians live and buy commodities here (like car and phone), let alone relatives’ association. As transportation and infrastructure improved a lot in these years (the Fifth Thai-Laos Friendship Bridge is under construction), Laos’ proportion will see a booming in this region, which gives local tourism resources strong positive externalities.

The Southern Part

The Southern part is the traditional beach resort (like Phuket Island and Koh Samui) of Thailand in advantage of its long coastline, scattered islands, abundant seafood, comfortable weather and well-developed coastal infrastructure. Attribute to the closed link between Thailand and Malaysia through Kra Peninsula geographically and in traffic, Malaysian arrival in this region dominant the whole population of all ASEAN countries (amazingly 82%). With the operation of high-speed railway between Thailand and Malaysia in the future, the growing number of bilateral tourists is foreseeable. Besides Malaysia, Singapore still holds the second largest proportion and equal to average level nationwide in Thailand (13%). Owing to its advantaged natural resources and mature tourism market, this region has stable and lasting attractions to Singapore’s tourists. But for other ASEAN countries, only a few proportion chose here as target destination, which may be put down to relative far distance and convergent tourism resources (especially for Vietnam and Indonesia, which also have long coastline and well-conditioned beaches).

To conclude, different countries’ tourists have divergent preferences with regard to different tourism resources in different parts of Thailand. Geographical closeness and tourism good’s homogeneity are two key factors which may generate positive spill-over or negative substitution effects to affect Thailand’s tourism. Based on different natures and characters of public goods in each part of Thailand, differentiated development strategies should be made accordingly and respectively.

(Insert Table 3 here)

Having analyzed the preferences of different ASEAN countries tourists based on different parts of Thailand and different nature of public good, we will then further analyze differentiated competitiveness of different ASEAN countries and regions in Thailand using BCG Matrix. We use the tourist’s population of all ASEAN countries inbound in Thailand from 2015-2016 to calculate the market growth rate and market share of different ASEAN countries, and then the BCG Matrix are as follows:

(Insert Figure 2 here)

(Insert Table 4 here)

Based on BCG Matrix, we could divide ASEAN countries into 4 markets (See Figure
2, as Vietnam is on the borderline, we list it alone). Then we use the information of Table 4 to analyze the differentiated tourism market of different ASEAN countries comprehensively (See Table 4).

Stars: Singapore

As we discussed above, Singapore has witnessed a rapid and steady growing number of tourists inbound in Thailand in recent years. With its advanced economy, decent education, diversified culture and mature market, we could still see a promising future of Singapore’s tourist arrival in Thailand as Stars market. In other words, Singapore still has high-leveled growing potential as regard to differentiated tourism goods. Separately speaking, Bangkok’s metropolitan scenery has highly homogeneity with Singapore, which means positive externalities is relative low to Singapore as pure public good. But Bangkok’s dense Buddhism culture, cheaper consumption price and even newly-developed medical tourism still own comparative competitiveness to Singapore, which could counteract the substitution effects of metropolis as public good. With regard to divergent tourism resources compared with Singapore, the Northern and Southern part are the representatives. The weak rivalness and exclusiveness of fantastic beaches and mountains of these regions edge the crowding effect of Marina Bay and Parks of Singapore. The regulation strategies for these regions are fully exert their comparative heterogeneities to broaden market size and opportunities, at the same time regulate quasi-public goods away from pollution and crowding point.

Cash Cows: Malaysia, Laos

The common features of Cash Cows are high market share but relative low growth rate. Malaysia holds No.1 proportion of all ASEAN countries’ tourist in Thailand in a long time. Owing to its cultural and geographical closeness with Thailand, Malaysian choose Thailand as priority destination abroad beside Singapore. As the population base is high-leveled, the market growth rate of Malaysia remains relative low and stable. This trend could also be applied to Laos. But compare to Malaysia, Laos holds a relative faster growth rate and smaller proportion since the booming tourists trend has been set off after the opening-up policy being implemented domestically. Comparatively speaking, Laos’ market structure is newer than Malaysia, which have larger potential to be optimized. As to the heterogeneity of tourism resources, these two countries are quite divergent. The wide distribution of tropical rain forest and well-conditioned coastal scenery of Malaysia share homogeneity with the Southern and Eastern part of Thailand, which may pale the uniqueness of these regions as pure public goods. On the contrary, the exclusive folk culture of Northeastern part could generate differentiated advantage thanks to the nature of club good (as festival). But there is a totally different scene for Laos. Geographical convenience and cultural links made the Northeastern part priority of Laotian. What’s more, Bangkok’s metropolis and the Southern part’s beach really have spillover effects to Laos’ tourists. The regulation strategies for Cash Cows are to keep the steady state of convergent tourism.
goods at the same time regularize divergent resources according to different nature of public goods.

**Question Marks: Cambodia, Myanmar, Brunei**

As question marks, these three countries share low market share but relative high market growth rate. Especially for Cambodia and Myanmar, their tourism inbound in Thailand is limited by economical, historical and ethical reasons. But after the integration of AEC and Indo-China Peninsula, there eyed an increasingly booming growth rate of tourists for these two countries in Thailand. Both Cambodia and Myanmar have geographical closeness with Thailand as neighbor country. Cambodia shares convergent natural resources and geographical environment with the Eastern part of Thailand, but has divergent demand as for Bangkok, Southern and Eastern parts of Thailand, which have positive externalities and sociality to Kampuchean. On the other hand, Myanmar possesses similarities with the Northern and Central part of Thailand for their mountainous landscape and Buddhism culture, but has divergent demand for Bangkok’s metropolis as pure public good. Finally, we just let Brunei alone because of its slim population. On the whole of Question Mark, the regulation strategies are to selectively promote or quit differentiated resources from the heterogeneity of local tourism goods. Maybe government’s neglect and the early period of life circle are some important factors which restricted the market share of this kind. To find the heterogeneity of public good and act accordingly are key steps for these countries’ markets.

**Dogs: Indonesia, Philippines**

Indonesia and Philippines are in low position both of market share and growth rate for a long time, which means their steady inactivity of inbound tourists in Thailand as the dog market. On the perspective of homogeneity of public goods, these two countries’ abundant rain forest, typical mountainous landscape, long coastlines as archipelagoes and relative far distance are all barriers to the tourism attraction of Thailand to these countries. The remained advantaged competitiveness of Thailand’s tourism may be Bangkok and Central part’s religious and historical relics especially for Philippines. The dog markets will not be the focus of key development for their relative low potential. Maybe breaking down the Path Locking of these two countries’ inbound tourism and creating more differentiated tourism goods are the next issue for further attracting these two countries’ tourists. At the present stage, maybe the best strategies for Thailand’s government are keeping the primitiveness of tourism goods which are targeting these two countries.

**Borderline: Vietnam**

Vietnam is the most special country in the BCG Matrix whose position just on the borderline between dogs and cash cows. As the No.4 source ASEAN country inbound Thailand besides Malaysia, Singapore and Laos, Vietnam now at the median of
market share in all ASEAN countries. But considering the distribution imbalance of all ASEAN countries, Vietnam still got an upper hand especially in Bangkok, the Central and Northeastern part of Thailand (17%, 8%, 9% separately). These three regions all have convergent comparative competitiveness to Vietnam’s tourists (metropolis, historical relics and folk culture respectively). But as regard to the natural landscape like rain forest or beaches, Vietnam also shares a high similarity with the southern and eastern part of Thailand. The regulation strategies are transferring it from dogs to cash cows with the help of differentiated competition under appropriate governmental regulation to fully apply public goods’ externality.

After analyzed the preference and differentiated competitiveness of different ASEAN countries’ inbound tourists in Thailand, this part will transfer to assess tourism differentiation from inner perspective----choose different parts of Thailand as objects of study----in order to further research Thailand’s tourism structure and distribution from the perspective of public goods. We still use the mean population of 2015-2016 for each parts to draw the BCG Matrix as follows.

(Insert Figure 3 here)

**Stars: The Southern**

The Southern part is increasingly becoming the “visiting card” and “spokesperson” of Thailand’s tourism. Decorated with a lot of regional-famous islands and beaches like Samet, Krabi and Phuket, there will still be a robust market growth rate which could be foreseen in the near future as the No.1 destination for ASEAN tourists. But from the perspective of public goods, such kind of quasi-public good like beaches is easy to be over-merchandised and cause crowding effect and pollution, thus as market failure decrease the welfare of tourists. The primitiveness of these tourist spots should be protected under environment regulation implemented by government. The balance of primitiveness and commercialization is primary for the Southern part as Stars markets, especially get countries like Laos which are lack of these divergent public goods.

**Cash Cows: Bangkok**

As the traditional comprehensive tourism destination of Thailand, Bangkok’s market share is still at a robust level during 2014-2016 (31.10% on average). Bangkok’s reputation effect, convenient transportation, economic resources and Path Locking makes it profitable and dominant in tourism industry. Recently Bangkok has nurtured new tourism growth point like light luxury and medical tourism, which broadened its diversification of tourism resources. These kinds of services are more like club good: through charging fees to maintain expenses and achieve profits. But at the same time, how to better regulate and correct the misbehaviors and over-use of club goods market still remain questionable for Cash cows market.
Question Mark: The Central, the Northeastern, the Northern

These three parts of Thailand all share rapid market growth rate as new tourism spots, but still take a small proportion of the whole ASEAN tourists’ inbound population. The central part’s religious and historical relics, the northeastern part’s folk culture and the northern part’s natural landscape act as pure (quasi) public goods more spiritually and immaterially. These kinds of inner-oriented public goods should be protected and keep maximized primitiveness to fully activate their potentials as tourism resources. The government should cooperate with other social and market subjects (like PPP or Outsourcing) to enlarge their market share especially for Singapore and Vietnam, which have divergent demand for this kind.

Dogs: The Eastern

The Eastern parts are the most disadvantaged in the whole tourism resources with low market share and growth rate. From the perspective of public goods, this region’s tourism resources (like tropical rain forest and coastal scenery) have weak spillover effects to ASEAN tourists due to their high homogeneity and similarity with other ASEAN countries. Take the most representative scenic spot Pattaya in the eastern part as example. ASEAN countries’ tourists only take 3.1% of the whole tourist population in 2016 (Chinese tourists take 20.7%, and domestic tourists take 33.9%) which are not the main target sources of tourism. To conclude, this region has low potential and profitability to ASEAN countries tourists, which should be well-protected under regulation and transferred to other tourist source countries.

4 Discussion and Conclusion

How to balance the relationship between differentiated competitiveness and primitiveness regulation of tourism should base on the nature of public goods. As Figure 4 shows below, the utility function (indifference curve) is concave as the marginal benefits progressively decrease. Different kinds of public goods locate on the different place of the curve. Pure public good is more approach to the primitiveness side, which shows its inner value of utility-indivisibility and high need for primitiveness regulation. In the middle of the curve is quasi-public good, the most important to the trade-off between commodification and regulation due to its weak rivalness and exclusiveness. The combination of intrinsic and extrinsic profitability made quasi-public goods “for-profit” (Thoreen, 1981) to prevent crowding-out effect and turn extrinsic profitability intrinsic under resources constraint of market and governmental regulations (Deneulin and Townsend, 2007). On the near differentiated competitiveness side of the curve is club good, which highly emphasize compensation of private cost even under price prejudice. The key element of club good is to locate and match accurate differentiated preferences among consumers with minimum search cost. Divergent demand for tourism products could apply self-matching into clubs as “voting with one’s feet” (Tiebout, 1956). The least governmental regulation is needed in this case to guarantee sound institution and the bottom line of public
goods.

(INSERT FIGURE 4 HERE)

This paper first sets theoretical analysis to the different natures of tourism resources based on the division of public goods. It uses BCG Matrix and other indexes to analyze the consumption structures and development trends of target ASEAN countries to target regions of Thailand. To end with, this article implies how governments should do to maintain the balance between differentiated competitiveness and primitiveness under regulation for targeted consumers in target regions of Thailand, which could be learnt by other countries to further boost its tourism development and environment sustainability at the same time.

Having analyzed the trade-off between differentiated competitiveness and regulation from theoretical and empirical perspectives, what is the operating mechanism behind the relationship? And what kind of elements and factors do impacts the relationship still remains in the air. Especially considering substitution effects and economic performance, a lot of related variables should be put into future quantitative study. And whether this kind of mechanism could be applied outside Thailand is also an interesting issue.

References


## Tables

### Table 1 The Proportion of ASEAN countries Tourist Population in Different Regions of Thailand (2016)

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<th>Nationwide</th>
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<th>Northern</th>
<th>Eastern</th>
<th>Northeastern</th>
<th>Southern</th>
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Data Source: The Ministry of Tourism & Sports of Thailand
### Table 2 Differentiated Competitiveness of ASEAN Countries

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<tr>
<td>Natural Resources</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cultural Resources</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: “+” mean the index is higher than Thailand; “-” means the index is lower than Thailand; “0” means the index is equal to Thailand. No data for Brunei and Myanmar.

Source: Calculated from The Travel & Tourism Competitiveness Report 2017,
Table 3 The Division of Public Good and Typical Tourism in Thailand

<table>
<thead>
<tr>
<th>Region</th>
<th>Typical Tourism</th>
<th>Nature of Tourism</th>
<th>Divergent Tourism Resources</th>
<th>Convergent Tourism Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangkok</td>
<td>Metropolis; Medical Tourism</td>
<td>Quasi-Public Good; Club Good</td>
<td>Vietnam, Laos, Malaysia</td>
<td>Singapore</td>
</tr>
<tr>
<td>Central (No Bangkok)</td>
<td>Religion and Historical sites</td>
<td>Quasi-Public Good</td>
<td>Singapore</td>
<td>Malaysia, Indonesia, Cambodia</td>
</tr>
<tr>
<td>Northern</td>
<td>Mountainous Landscape</td>
<td>Pure Public Good</td>
<td>Singapore, Malaysia</td>
<td>Myanmar, Cambodia, Laos</td>
</tr>
<tr>
<td>Eastern</td>
<td>Orchard Beach</td>
<td>Club Good; Pure Public Good</td>
<td>Singapore</td>
<td>Vietnam, Indonesia, Malaysia</td>
</tr>
<tr>
<td>Northeastern</td>
<td>Folk Culture</td>
<td>Pure Public Good</td>
<td>Singapore, Philippines</td>
<td>Laos</td>
</tr>
<tr>
<td>Southern</td>
<td>Beach</td>
<td>Pure Public Good</td>
<td>Singapore, Laos</td>
<td>Indonesia, Malaysia, Vietnam</td>
</tr>
</tbody>
</table>

Note: Drawn by the author
## Table 4 The Differentiated Competitiveness of Target Countries

<table>
<thead>
<tr>
<th>Target Country</th>
<th>Market Division</th>
<th>Thailand’s Convergent Regions</th>
<th>Regulation Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>Stars</td>
<td>Bangkok</td>
<td>Lessen homogeneous competition</td>
</tr>
<tr>
<td>Malaysia</td>
<td>Cash Cows</td>
<td>Southern;Eastern</td>
<td>Regulate the price of convergent resources</td>
</tr>
<tr>
<td>Laos</td>
<td></td>
<td>Northeastern</td>
<td></td>
</tr>
<tr>
<td>Cambodia</td>
<td>Question Marks</td>
<td>Eastern; Bangkok; Northern</td>
<td>Selectively promote or quit differentiated resources</td>
</tr>
<tr>
<td>Myanmar</td>
<td></td>
<td>Northern;Central</td>
<td></td>
</tr>
<tr>
<td>Brunei</td>
<td></td>
<td>Southern; Bangkok; Northern</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>Dogs</td>
<td>Southern; Eastern; Bangkok</td>
<td>laissez-faire; keep primitiveness</td>
</tr>
<tr>
<td>Philippines</td>
<td>Borderline</td>
<td>Southern; Eastern; Bangkok; Central</td>
<td></td>
</tr>
<tr>
<td>Vietnam</td>
<td></td>
<td>Bangkok; Central</td>
<td>Transfer from Dogs to Cash Cows</td>
</tr>
</tbody>
</table>

Note: Drawn by the author; Convergent Tourism Resources and Divergent Tourism Resources are on the basis of different parts in Thailand.
Figures

Figure 1 The Regional Division of Thailand’s Tourism Resources

Note: The data were used through the five-region (Bangkok belongs to the central part) grouping system, commonly used for geographical and scientific purposes. It was formalized in 1977 by the National Geographical Committee, which was appointed by the National Research Council.

Source: Google Map
Figure 2 The BCG Matrix of ASEAN Countries’ Inbound Tourism in Thailand (2015-2016)

Data Source: The Ministry of Tourism & Sports of Thailand
Figure 3 The BCG Matrix of Scale Differentiation in Thailand (2015-2016)

Data Source: The Ministry of Tourism & Sports of Thailand
Figure 4  The Balance of Differentiated Competitiveness and Primitiveness

- Target regions: Eastern, Bangkok
- Target countries: Cambodia, Indonesia
- Quasi Public Good
- Target countries: Vietnam, Malaysia
- Pure Public Good
- Target regions: Northern, Northeastern
- Target countries: Laos, Singapore