

The Diffusion and the Strategy of Taiwan in International Tourism Market

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Abstract : In recent years, the tourism has developed rapidly in Taiwan. The data which was announced by World Travel & Tourism Council (WTTC , 2007) showed that the number of visitors to Taiwan came to 3.52 million in 2006 and they expected the economic value will reach US\$37.9 billion in 2007. Hence, the tourism will be more respected. Since Bass(1969) proposed the diffusion model, many extended models were developed which focus on durable goods and high-tech products, but few of them focus on tourism services. Based on Bass model, this study used the foreign tourists to Taiwan as an empirical sample, and the models show excellent fitness and predictability for international tourist diffusing in Taiwan. For Taiwan, internal communication has greater impact than the external communication on the international tourist diffusion. Finally, this study is based on the diffusion models to propose some strategies to extend Taiwan's international tourism market.

Keywords: Tourism, Bass Model, Diffusion.

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1. Introduction

Tourism has been the growing fastest and the most valuable service in the most of Asia countries, and Taiwan also inputs many resources to promote and develop tour services in international markets. According to the World Travel and Tourism Council (WTTC, 2007)'s estimation, Taiwanese travel and tourism as economic activities are expected to generate US\$37.9 billion in 2007, and grow to US\$84.1 billion by 2017. It also contributes US\$4.6 billion to Gross Domestic Product (GDP) in 2007 and rise to US\$8.0 billion by 2017. The tourism has become the most important service industry in Taiwan which must promote the tourism actively and improve the competitiveness to keep pace with the international level.

As regards the tourism, the foreign visitors' consumption is the major benefits to the tourism. Hence, the numbers of the foreign visitors' diffusion patterns would be the key factor that influence the tourism's marketing strategy. Furthermore, it is not easy for tourisms to predict the patterns. The empirical model of our research builds the predicted approach and will propose the further strategic decisions for the tourism.

Since the publication of Bass model, there are many related researches and applications for the product diffusion in market. However, we focus on the application of Bass model for the tourism because there is still lack of relative research.

The most important purpose of this study is to explore whether Bass model could be an effective measurement tool for the diffusion of tourism markets. There are a lot of previous diffusion studies focused on consumer durable goods, but lack of an application for tourisms. Therefore, we extend the application of Bass model in tourism, and predict the future growth of tourists in Taiwan to suggest Taiwan tourism some adaptive marketing strategies. In addition, this study compares the various diffusion patterns of the tourists come from the four regions, and can extend the results to the other counties else and help to build some useful strategies.