DEPARTMENT OF BUSINESS AND ENTERPRISE

INTEGRATED MARKETING COMMUNICATION STRATEGIES FOR SME FIRMS IN THE TOURISM SECTOR IN LAOS

BY

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A thesis submitted in partial fulfillment of the requirements for the degree of
Master of Business
Unitec Institute of Technology, New Zealand
DECLARATION

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This thesis entitled: “Integrated Marketing Communication strategies for SME firms in the tourism sector in Laos” is submitted in partial fulfilment for the requirements for the Unitec degree of Master of Business.

Candidate’s declaration

I confirm that:

• This thesis project represents my own work

• The contribution of supervisors and others to this work was consistent with Unitec regulations and policies.

• Research for this work has been conducted in accordance with the Unitec Research Ethics Committee Policy and Procedures, and has fulfilled all requirements set for this project by Unitec Research Ethics Committee.

Research Ethics Committee Approval Number: 2016-1044

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ABSTRACT

In today’s business environment, marketing communication plays an important role in business competitiveness enhancement. It refers to all methods that companies use to communicate with their consumers with the purpose of promoting their products, services and brands in the marketplace. Nowadays, the development of the new technology and the change of consumers’ behaviour have altered marketing communication practices. This results in the new concept of marketing communication called “Integrated Marketing Communication (IMC)”. IMC is suggested as an applicable and a practical marketing approach for all business. It is developed with the aim of assisting firms to present their offers and gain access to consumers more effectively than traditional advertising. Even though IMC is recommended as an important approach, this concept is quite new to some SME entrepreneurs in some countries and there are not many marketing communication studies within the context of SMEs.

This research study aims to investigate marketing communication in the context of SMEs, particularly in the Lao tourism sector. The research intents to examine the understanding and perspectives of SMEs towards the concept and the importance of IMC in their businesses. Also, how SMEs in the Lao tourism sector practice their marketing communication and what marketing communication obstacles that they confront are investigated. To achieve the purpose of the research, the mixed method is employed as a data collection approach. The semi-structure interview is used to collect data from ten SMEs in the Lao tourism sector while the survey instrument is employed to collect data from 100 international tourists who are travelling in Laos.

According to the findings, the research found that there is little awareness of IMC among the SMEs in terms of concept and definition. However, in their marketing practices, they already employ IMC in their business promotions. The research also found that a lack of financial resources, human resources and marketing knowledge/skills are the major constraints that SMEs in the Lao tourism confront when practicing market communication.

Finally, this research study provides recommendations and proposes some potential marketing communication strategies that SMEs in the Lao tourism sector could use as guidelines to increase the effectiveness of their marketing communication practices.
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<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>AEC</td>
<td>ASEAN Economic Community</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>FTA</td>
<td>Free Trade Agreement</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>HRD-ME</td>
<td>Human Resource Development for Market Economy</td>
</tr>
<tr>
<td>IMC</td>
<td>Integrated Marketing Communication</td>
</tr>
<tr>
<td>LAK</td>
<td>Lao Kip</td>
</tr>
<tr>
<td>Lao P.D.R</td>
<td>Lao People’s Democratic Republic</td>
</tr>
<tr>
<td>PMO</td>
<td>Prime Minister’s office of Lao People’s Democratic Republic</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>SMEPDO</td>
<td>Small and Medium Sized Enterprises Promotion and Development Office</td>
</tr>
<tr>
<td>SMEPDC</td>
<td>Small and Medium Sized Enterprises Promotion and Development Committee</td>
</tr>
<tr>
<td>TSMEs</td>
<td>Tourism small and medium enterprises</td>
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Chapter One: Introduction

1.1 Introduction

In today’s business environment, competition is intense since advanced technology creates new communication platforms and provides opportunities for companies to present themselves in the marketplace, which results in more products and services for consumers to choose from (Du Plessis, 2017). To enhance the competitiveness of business, marketing plays an important role since it allows companies to promote products and services and persuade consumers through a variety of marketing activities (Hofstrand, 2005). Marketing also increases business opportunities for enterprises to enhance their brand equity and develop great relationships with both existing and potential customers (Temporal, 2010). Therefore, marketing is important in businesses as it can help companies to create and retain competitive advantages (Morgan, 2012).

Nowadays, the development of new technology and the spread of audiences have altered marketing practices (Low, 2000). A number of marketing communication options and the integration of communication channels are required in businesses in order to reach target audiences (Keller, 2001; Kotler, Saunders & Armstrong, 2005). The concept of Integrated Marketing Communication (IMC) is suggested as a strategic and operational approach for communication because it give opportunities for companies to integrate a number of communication tools and channels to access their target audiences, in order to establish brand images and familiarity among consumers (Keller, 2009; Gabrielli & Balboni, 2010). This concept is assumed as a basic and applicable principle of marketing for all businesses. However, IMC was studied within the context of large firms, and there are a small number of research studies on IMC practices in the SME context (Low, 2000; Fam, 2001; Gabrielli & Balboni, 2010). Therefore, this research study aims to investigate the perceptions and the importance of IMC, and it is also intended to identify some potential IMC strategies within the context of SMEs, particularly in the tourism sector in Laos.

In the first chapter of this research study, the background of marketing communication and the discussion on challenges in Lao SMEs are presented. Next, the aims, objectives and research questions of the research are outlined. After that, the focus and scope of the research are discussed. Finally, the methods of data collection and the thesis structure are explained in this chapter.
1.2 Background

1.2.1 Marketing Communication

Marketing communication represents the voice and the identity of a firm by creating a dialogue with customers and stakeholders regarding product offerings (Keller, 2001). It is a process of establishing a connection between buyers and sellers in the market, which means individuals need to contact and communicate with one another with the purpose of purchasing and selling (Varey, 2002). Marketing communication is an approach used for presenting products, services and brands of enterprises to consumers (Yeshin, 2012). It is an effective approach that enterprises can utilise for informing, persuading and reminding customers about their services, products and brands (Kotler & Keller, 2012). Furthermore, marketing communication is a flexible approach that organisations can apply based on their objectives, for instance, increasing brand awareness; providing information; building brand equity; persuading and engaging audience (Bax & Woodhouse, 2013). Besides this, companies can use marketing communication to create an impressions, establish goodwill and make themselves different from competitors in the marketplace (Dwyer, 2009; Fill, 2013).

1.2.2 Changes in Marketing Communication

In the 21st century, the internet shifted the ways of marketing communication practices in business (Jagongo & Kinyua, 2013). Smith and Taylor (2004) point out that companies are currently experiencing the development of new technology and the internet has become the most widely used communication channel. As a result, there are several changes in business communications since the internet can provide access to a larger group of consumers, and allow efficient information exchange compared to the past. Therefore, it is necessary for companies to reconsider how they should communicate with their customers (Jagongo & Kinyua, 2013).

In the information age, non-traditional media such as social media altered the patterns of interactions and connections between consumers and companies which led to changes in marketing communication methods (Kietzmann, Hernkens, MaCarthy & Silvestre, 2011; Tuten & Angermeier, 2013). Social media is integrated into marketing communication and it is used as one of marketing channel options to promote products and services as well as persuading consumers.
to become interested in companies (Neti, 2011). This is because social media is widely used in communication and the interactions in groups of consumers. Therefore, it is necessary for enterprises to capitalise on social media by using it as one of the communication channels to reach consumers and gain attention from prospects (Bakeman & Hanson, 2012; Mergel, 2013). Dey (2013) also suggests that enterprises should use social media in their businesses since it gives them more opportunities to promote their products and services, in both local and international markets with a low advertising budget.

As stated above, the change in technology creates more options to again access to consumers through both traditional and non-traditional media. Therefore, it is necessary for companies to shift from traditional mass communication models in order to deal with an increase in marketing communication options effectively (Kotler et al., 2005). Consequently, the integration of communication channels and the coordination of all messages for promoting business are needed and regarded as a fundamental issue for a company (Keller, 2001)

1.2.3 Integrated Marketing Communication (IMC)

The concept of Integrated Marketing Communication (IMC) has emerged and has been widely embraced by marketing practitioners and researchers since the early 1990s (Schultz, Tannenbaum, & Lauterborn, 1994). The emergence of IMC in marketing become more important than ever because of the impact of information technology and changes in the domain of marketing and communication (Kitchen, Brignell, Lit & Jones, 2004). IMC is referred to a process that coordinates multiple messages and various communication activities that firms use for the purpose of promoting their businesses. It is a process in which firms utilize a variety of communication channels to convey clear messages about products and services to target audiences (Gabrielli & Balboni, 2010). IMC as a process which companies use different marketing communication tools and media to convey particular messages to support their brand positions with the aim at persuading consumers to select their brands, products and services (Yeboah, 2013).

As noted above, the concept of IMC is described as an applicable marketing communication, and it is suggested as a marketing approach that is not merely suitable for large businesses, but it is also practical for small enterprises (Gabrielli & Balboni, 2010). In spite of the fact that IMC is
recommended as a practical marketing approach for all-sized businesses, the development of this concept is limited in the context of SMEs to some degree. This is because there have been a small number of research studies in SME marketing, and marketing theories for SMEs are often based on classical marketing models of large corporation (Chaston & Mangles, 2002).

1.3 The need of Marketing Communication in Lao SMEs

Small and Medium Enterprises (SMEs) has been widely recognised as the backbone and an important sector that stimulate the development of Lao economy (The United Nations, 2012; Bihlar, 2014). This business sector dominates the majority of the business in Laos in which it accounts for over 95% of the total business of the country, while large corporations make up less than 5% (Bihlar, 2014).

To enhance the economy of the country, Laos decided to participate in many international trade agreements with the purpose of increasing trade opportunities and enhancing economic development. These agreements include ASEAN Free Trade Agreement (FTA); ASEAN-China Free Trade Area, and ASEAN Economic Community (AEC) (The United Nations, 2015). Involvement in these international trades bring many advantages to the economic development of Laos in terms of increasing Gross Domestic Product (GDP), foreign direct investment (FDI) and developing business networks. However, joining international trade agreements can generate a high level of competition and economic pressures to local businesses, particularly businesses that have low capital investments such as SMEs (Leebouapao, 2014). Kyophilavong (2008) clarifies that even though international trade agreements can expand economic opportunities for Laos such as product export-import and foreign investments, the economy of the country would be negatively impacted by an increase in foreign direct investment. Taking the foreign direct investment into account, the influx of foreign investments in Laos is anticipated to become higher in the future due to the number of international trades and investment agreements, which can lead many major business sectors in Laos such as agriculture, tourism, and hospitality, to be exposed to more intense competition (Gunawardana & Sisombat, 2008).

According to the aforementioned issues, SMEs in Lao PDR are facing a number of challenges since they are not ready to handle fierce business competition as well as adapting themselves to
regional and international business integration (Sisounonth & Kongmanila, 2014). Southiseng and Walsh (2010) point out that SMEs in Laos would confront more business constraints in the future because they lack marketing and technological skills in businesses and experience in business competition. Furthermore, Sisounonth and Kongmanila (2014) note that Lao SME entrepreneurs and business owners would have more challenges in operating their businesses since they have limited marketing communication and e-commerce knowledge, which can impede them from promoting their businesses in the marketplace to some extent. Therefore, SMEs in Laos should improve their marketing skills and apply marketing communication in businesses in order to increase their competitiveness in the marketplace.

1.4 Problem Description

To be competitive in a highly competitive business environment, marketing is considered as an imperative business activity for small and medium-sized companies because it can contribute to innovation improvements, sales and financial growth (Havlíček, 2011). Communication is taken into account as an important marketing practice in businesses since it contributes to brand awareness, and helps companies to retain current customer bases as well as strengthening buyer-seller relationships (Greene, 2016). As Fill and Jamieson (2011) suggest that marketing communication is necessary for all business, it can help enterprises to establish and sustain relationships between companies and stakeholders as well as providing opportunities to engage with a wide group of audiences to present their products, services and brands.

Even though the importance of marketing communication in SMEs was discussed, the concept of marketing communication in this business sector is somewhat limited due to the fact that the marketing development in SMEs often relies on the traditional marketing practices of large businesses (Chaston & Mangles, 2002). Marketing communication is still a new concept to some entrepreneurs in some countries, especially Asia and the Middle East (Temporal, 2010). Therefore, marketing approaches and practices, including marketing communication in SMEs are likely to be more informal, unstructured, spontaneous and haphazard (Gilmore, Carson & Grant, 2001).

As noted above, this research study aims to investigate marketing communication practices. Integrated Marketing Communication in the context of SMEs, particularly in the tourism sector in
Laos. The reason to focus on the tourism sector is because this sector is prioritised as a key factor that creates the main income for the Lao economy. In addition, this business sector also involves a large number of SMEs (International Monetary Fund, 2004; Tourism Development Department, 2014; Sustainable Tourism Development Project in Lao PDR, 2009). The purpose of this study is to identify some potential marketing communication strategies and provide some recommendations for SMEs in the tourism sector. The researcher expects that the suggestions of this research study would be able to assist SMEs in the tourism sector to use marketing communication effectively and productively to support their businesses.

The conceptual problem is identified as:

“How can SMEs in the tourism sector in Laos use Integrated Marketing Communication effectively for business success?”

1.5 The aim and objectives of the research project

1.5.1 Research aim

The purpose of this study is to investigate the understanding and perception of SMEs in the Lao tourism sector towards the concept of Integrated Marketing Communication (IMC). The study also aims to examine marketing communication practices that SMEs in Laos are currently using in their businesses as well as identifying some challenges that SMEs faced when implementing marketing communication. In addition, this research intends to propose some potential marketing communication strategies based on the concept of IMC for SMEs in the Lao tourism sector.

Regarding the research aims, the main objectives of this research project are:
1.5.2 Research objective

a.) To examine how Lao SME business owners/managers understand the IMC concept and explore their perceptions regarding the importance of IMC in their businesses.
b.) To investigate how marketing communication is currently undertaken by SMEs in the Lao tourism sector and what relevant challenges they face.
c.) To examine the influences of IMC on consumers in tourism and investigate which components of IMC are the most practical for Lao SMEs in the tourism sector.

1.6 Research question

The primary research question is “What are the practical marketing communication practices that would support business promotions effectively for SMEs in the tourism sector in Laos?”

1.6.1 Sub-research questions:

1.) What is the understanding of SMEs owners/managers regarding the concept of IMC?
2.) What is the perspective of owners/managers towards the importance of IMC for their businesses?
3.) How do SMEs in the tourism sector in Laos promote their businesses in the marketplace currently?
4.) What are relevant difficulties that SMEs in the tourism sector in Laos confront when applying marketing communication in their businesses?
5.) How IMC plays a part in consumers’ buying decisions?
6.) Which tools of IMC are the most practical for the tourism businesses in Laos?

1.7 The focus and scope of the research

1.7.1 The focus of the research

This research project focuses on marketing communication for Small and Medium Enterprises (SMEs) in the Lao tourism sector. The primary study area of this research is concentrated on how SME owners and managers in the tourism sector apply marketing communication to promote their
businesses. The research also studies the influences of marketing communication on consumers. Furthermore, the relevant difficulties that SMEs in the tourism sector confront when promoting their products and services in the marketplace are investigated in this research study.

The tourism industry was chosen for this research project since this sector plays a significant role in the economic development of Lao P.D.R. In Laos, the tourism sector is one of the industries that generates a high amount of income for the country. It also continuously contributes to the domestic economy in various ways such as creating job opportunities for local people and creating business opportunities for local entrepreneurs. For example, there was over LAK 5,000 billion generated by the Lao tourism sector. There were over 39,000 job opportunities created by this business sector and the number of hotels in Laos increased by 20% in 2014 (Tourism Development Department, 2014; Turner, 2015). Apart from that, the researcher has some knowledge and working experience in the tourism sector in Laos regarding promoting attractions as well as suggesting products and activities to international tourists who have an interest in travelling to Laos. Therefore, SMEs in tourism was selected to study in this research project.

1.7.2 The Research Scope

The scope of this research focuses on how SMEs in the tourism sector in Lao currently exercise their marketing communication, what are relevant difficulties that SMEs face when undertaking marketing communication in their businesses. In addition, this research study has the purpose of examining some factors that play a part in buying decisions of tourism consumers as well as exploring their perspectives regarding marketing communication in order to identify some potential marketing strategies for SMEs. Therefore, the key respondents for this research are SME owners/managers who run businesses in the tourism area and international tourists who travelled in Laos.

This research project is intended to study the context of SMEs in the tourism sector in Laos only. Therefore, the suggestions and the proposed marketing communication strategies of this study may be not practical and appropriate for SMEs in other business sectors due the fact that each business has its own characteristics and nature. Apart from that, the secondary data is limited in this research study since there are a small number of research studies that are specific and are related to the context of marketing communication in Lao SMEs.
1.8 Data Collection Methodology

This research project is conducted based on a descriptive study. The descriptive research approach is a basic research method that studies a current situation. It is a research approach that attempts to determine a phenomenon without any control of researchers (Ethridge, 2004; Williams, 2007). The descriptive research is used to identify a number of attributes within a specific phenomenon by focusing on observation or the examination of relationships between two or more phenomena (William, 2007). Therefore, this research approach was chosen because the aims of the research project are to examine the marketing communication practices that SMEs are currently undertaking as well as exploring the perceptions of consumers and influence of marketing communication towards consumers’ buying decisions within the context of SMEs in the Lao tourism sector.

The mixed method (qualitative and quantitative) was selected as a data collection approach for this study. The mixed method or the mix of methods is described as the data collection approach which applies a variety of research strategies and works with different types of data in order to provide answers for research questions (Bryman, 2001). Since this research study is aimed to obtain in-depth information as well as investigating the viewpoints of consumers regarding marketing communication, the mix of methods was determined as the most appropriate approach for this study. To collect qualitative data, semi-structured interviews were used as one of the data collection methods. The reason for choosing this method is that the researcher aims to collect information and scrutinize the perspectives of SME owners and managers regarding marketing communication. Therefore, by applying this data collection method, the researcher hopes to get useful information to understand marketing practices and issues that SMEs in the tourism sector in Laos are confronting at the moment. To recruit the participants for semi-interviews, the purposive sampling or judgement sampling was applied. Purposive sampling is a nonprobability sampling. It is a technique for selecting certain samples based on a specific purpose (Teddlie & Yu, 2007). For this study, 10 SME owners, managers or staff who are in charge of marketing practices of the enterprises were selected as the participants for qualitative data. A survey instrument was used as a data collection method to gather quantitative data in which 100 international tourist who travelled to Laos were recruited as the survey participants by using random sampling as the technique for eliciting quantitative data.
1.9 Structure of the thesis

![Diagram of Thesis Structure]

**Figure 1.1:** Structure of thesis

**Chapter one:** Introduction – outlined the focus and scope of the research study. This chapter presented the research background, problems, the aim and objectives of the research project. The main purpose of this chapter is to point out the reasons why the researcher was interested and decided to conduct the study within the context of the marketing communication in SMEs, particularly in the Lao tourism sector.

**Chapter two:** Literature Review – this chapter shows a number of theories that are relevant and support the research purposes. In particular, the importance of SMEs to the economy and the tourism sector are highlighted in this chapter. In addition, this chapter addresses the concept as well as the importance of Integrated Marketing Communication (IMC) in tourism businesses; why
IMC is a necessary marketing approach for SMEs and how it could enhance their businesses. The impact of IMC on consumer behaviours is also examined in this chapter.

**Chapter Three:** Research Methodology – introduces the research methodology that was employed for collecting data for this research. In this chapter, both qualitative and quantitative research methods are discussed. Also, the rationale for selecting the mixed method for this research study is explained. In addition, the explanation of choosing sampling, the approach for gathering data, and the process of data analysis are outlined. Finally, this chapter provides the validity and reliability of the research approaches as well as ethical considerations.

**Chapter Four:** Empirical Findings – this chapter reveals the results of the collected data. The information of semi-structured interview from ten SME participants and the data of survey instruments that was collected from 100 international tourists who travelled to Laos is evaluated in this chapter.

**Chapter Five:** Analysis and Discussion of the findings - this chapter provides the discussion of the research findings. The results of the findings which were interpreted in chapter four is discussed in detail in this chapter.

**Chapter Six:** Conclusions and Recommendations - this chapter summarises the main points of the research study. The conclusion of the study is presented and the recommendations about marketing communication are provided for SMEs in the Lao tourism sector. In addition, the strengths and limitations of the research are assessed, and some suggestions are made for future studies.

**1.10 Conclusion**

In this chapter, the researcher introduced the importance of marketing communication for tourism businesses. The researcher illustrated the changes of marketing communication which resulted in the new concept of marketing communication named “Integrated Marketing Communication (IMC)”. Furthermore, the need for effective marketing communication practices for enterprises in the tourism industry, especially small and medium enterprises was pointed out in this chapter. Therefore, the research expects that readers could conceptualise the background of the research project and understand why this research study is conducted.
1.11 Chapter summary

In chapter one, the demand of marketing communication for businesses was illustrated. Marketing communication was suggested as an important approach for all sizes of business in terms of presenting products and services and persuading consumers. The concept of Integrated Marketing Communication (IMC) was recommended as an important and practical marketing approach which enterprises should apply in their businesses since the development of advanced technology and new communication platforms such as social media, lead to the requirements for integrating a number of communication tools and channels to gain access to a wider group of audiences. The scope of this research study focused on IMC practices within the context of SMEs, particularly tourism in Laos. The researcher chose to study the tourism as this business sector contributes significantly to the economic growth of Laos and it was also occupied by SMEs. In addition, the research aims, the objective, the research question and the sub-questions as well as the structure of the thesis were outlined in this chapter.
Chapter Two: Literature Review

2.1 Introduction

In the previous chapter, the background and the scope of the research study were discussed. The chapter highlighted the importance of marketing communication in terms of promoting businesses and supporting business competitiveness. In addition, marketing communication was suggested as an essential approach that small and medium enterprises (SMEs) should deploy in their businesses in order to support their business promotions.

In this chapter, the theories and concepts related to the research aims and questions are discussed. The importance of SMEs in the tourism sector and the role of marketing communication for SMEs in this business sector are described. This is followed by the concept of Integrated Marketing Communication (IMC), and the explanation why IMC is necessary for SMEs in the tourism sector. Finally, some relevant challenges, which impede marketing activities in SMEs are examined in this chapter.

2.2 The definition and the importance of SMEs in Laos

2.2.1 The definition of SMEs in Laos

The universal definition of small and medium enterprises (SMEs) is difficult to describe due to the fact that their definition can be described differently depending on the contexts, dimensions, levels and the nature of economic development. This means that there is no precise description for the notion of SMEs (Berisha & Pula, 2015). Arowomole (2000) also indicates that it is not easy to define SMEs precisely since each country uses different criteria to describe the meaning of SMEs. Even though the meaning of SMEs is diverse, the basic definition of SMEs is based on two dimensions, namely the number of employees and sales volumes. These aspects are recognised as the fundamental factors to define SMEs (Ardic, Mylenko, & Saltane, 2011).

Based on Article 2 of the Prime Minister’s Decree No. 42/PM on the “Promotion of Small and Medium Enterprise”, SMEs in Laos are defined as independent enterprises which are legally
registered and run businesses in accordance with the prevailing laws of Lao PDR (Lao National Chamber of Commerce and Industry, 2010). The types of SMEs in Laos are categorised into three different groups, namely products, trades and services while the size of SMEs is classified based on the number of employees, the value of assets and average annual turnover (Lao National Chamber of Commerce and Industry, 2010; Vixathep, 2014). In Laos, a small enterprise is categorised as a business that has up to nineteen employees with overall asset of less than US$ 25,000 and the annual turnover does not exceed US$ 40,000. The medium-sized enterprise that has under 99 employees with the total asset of less than US$210,000 and the turnover is not over US$100,000 (Southiseng & Walsh, 2010).

<table>
<thead>
<tr>
<th>Categories</th>
<th>No. of Employees</th>
<th>Annual Turnover (US$)</th>
<th>Total assets (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small enterprises</td>
<td>1-19</td>
<td>&lt; 40,000</td>
<td>&lt; 25,000</td>
</tr>
<tr>
<td>Medium enterprise</td>
<td>20-99</td>
<td>&lt; 100,000</td>
<td>&lt; 210,000</td>
</tr>
</tbody>
</table>

*Source: Prime Minister’s office of Lao People’s Democratic Republic (PMO) (2004).*

### 2.2.2 The importance of SMEs in Laos

In Lao P.D.R, SMEs are one of the major business sectors that play an important role in the Lao economic system as it significantly contributes to national economic growth (Tachasermsukkul, 2010). According to the Enterprises Survey conducted by the Lao-German Human Resource Development for the Market Economy Program (HRD-ME) in 2007, the national economic system is dominated by SMEs since approximately 90% of the overall enterprises in Laos are categorised as small and medium sized-businesses (as cited in Phimmavong & Chanthavong, 2009). Furthermore, SMEs are also involved in many business areas such as the commerce sector, the manufacturing sector and the service sector in which SMEs accounted for 62.9%, 12.4% and 18.3% respectively in 2013 (Asian Development Bank, 2015). Apart from that, SMEs are
acknowledged as the business sector that provides large-scale employment opportunities in Laos since more than half of all job opportunities in the country are offered by small and medium businesses. For instance, over 60,000 job opportunities were offered by over 25,000 SMEs in 2004 (Kyophilavong, 2008; Bihlar, 2014). Therefore, SMEs are acknowledged as an important business sector that supports the development of the country in terms of minimising and eradicating poverty in Laos as it provides many job opportunities for local people (The United Nations, 2012). Based on a survey of economic conditions in 2006, SMEs accounted for over two-thirds of the total enterprises in Laos. 286,575 employees were employed by local small and medium enterprises, while large businesses employed 58,513 employees or only 17% of all employees in the country (Tachasermsukkul, 2010).

As noted above, SMEs play a significant role in the economic growth as every development of this business sector can exert a direct influence on the economic growth of Laos (Southiseng & Walsh, 2010). Since SMEs contribute to the national economy, this business sector is supported by the Lao government. For instance, Small and Medium Sized Enterprises Promotion and Development Office (SMEPDO) and the Small and Medium Sized Enterprises Promotion and Development Committee (SMEPDC) were established and governed by the Ministry of Industry and Commerce with the purpose of supporting and providing suggestions to the Lao government in terms of promoting and developing SMEs (Vixathep, 2014). Apart from government support, SMEs are also supported by some international organisations such as the World Bank. In 2014, the World Bank announced that the organisation made a decision to provide financial assistance to SMEs in Laos, so it approved a US$ 10 million grant and a US$ 10 million credit to support the development of Lao SMEs as well as increasing opportunities for SMEs to access to long-term credit (The World Bank, 2014).

2.3 SMEs and Tourism sector
2.3.1 SMEs in Tourism sector

Tourism is a business that provides the combination of services and activities for tourists or individuals who would like to travel with the purpose of relaxing or enjoying experiences in other places (Goeldner, Ritchie & McIntosh, 2000). In the tourism sector, small and medium enterprises are considered as the life blood of the sector since SMEs significantly contribute to the
development of the regions (Erkkila, cited in Batta, 2016). This means that there is a great relationship between SMEs and the development of the tourism sector because the activities of SMEs can support the tourism sector in terms of providing services and products to tourists, and the tourism sector can increase business opportunities for local businesses and communities. Therefore, the development of the tourism sector and the growth of SMEs are interrelated since their business activities complement each other (Jaafar, Khoshkham, Rashid, & Dahalan, 2014). In addition, SMEs have a significant influence on destination competitiveness since they are the key business sector that provides products and services to tourists, for instance, restaurants, souvenir shops, travel agents and accommodation (Thomas, 2007). As a result, the experiences of tourists depend on the quality of services of SMEs. This means that SMEs and the tourism sector have an interdependent relationship and they benefit each other (Thomas, 2007).

The importance of SMEs in the tourism sector is highlighted by many countries such as Malaysia, South Africa and Myanmar. In Malaysia, Tourism Small and Medium Enterprises (TSMEs) are recognised as the backbone of the tourism industry, and the government paid attention to improving SMEs in the tourism sector by providing both financial and non-financial programmes to support them (Set, 2013). Moreover, the Malaysian government formulated a number of policies and created a lot of proactive approaches with the aim of strengthening the capabilities and performance of SMEs (Set, 2013). In Africa, SMEs are regarded as a business sector that plays a pivotal role in the development of the tourism sector and national economy. This is because SMEs create thousand job opportunities for local people and they contribute to poverty alleviation as well as increasing GDP (Biljon as cited in Biz Community, 2012). Myanmar is another country where SMEs support the development of the tourism industry. The government of Myanmar focused on promoting the tourism sector with different types of SMEs in order to create competitive advantages and maximise the destination competitiveness for the tourism sector (Abe & Dutta, 2014). Therefore, this shows where SMEs play an important role in supporting the tourism sector.

2.3.2 SMEs in the Tourism sector in Laos

In Lao PDR, the tourism sector is prioritised as the key contributor to economic development as it can generate income and create career opportunities (International Monetary Fund, 2004). This sector significantly contributes to economic growth through direct and indirect impacts such as an
increase in GDP and domestic trade (Turner, 2015). The tourism sector is acknowledged as the second largest income generator behind the mining sector since it continuously generates income for the country, for example, more than US$ 595 million in 2013 and around US$ 642 in 2014 (Tourism Development Department, 2014). In addition, this business sector significantly contributes to the growth of GDP in Laos. A report by World Travel and Tourism Council shows that the total contribution of the Lao tourism sector to GPD was LAK 13,717.2 billion in year 2014, and the contribution of this sector to GPD is estimated to increase by 5.7% to be LAK 25,759.2 billion in 2025 (Turner, 2015).

In Laos, the nature of the tourism and hospitality industry is characterised as a small and medium size since it is mainly composed of SMEs (Sustainable Tourism Development Project in Laos PDR, 2009). The majority of businesses in this industry consist of SMEs which are operated by local business owners. Over 70% of the businesses in this sector are identified and categorised as family business, and 60% of the businesses employ less than 10 employees while approximately 30% employ less than 5 employees (Sustainable Tourism Development Project in Laos PDR, 2009). SMEs in this sector, such as hotels, travel agents and transportation services create jobs for local people (Turner, 2015). According to a report by World Travel and Tourism Council, the total contribution of the tourism and hospitality sector to the employment of Laos was 396,000 jobs in 2014, and the number of job opportunities offered by the tourism and hospitality is anticipated to be 4690,000 jobs in 2025 (Turner, 2015). Apart from employment, businesses in the tourism sector also generate income for the country from foreign visitors’ spending (visitor exports). For example, the tourism sector generated over LAK 5,250.7 billion in visitor exports in 2014, and the income that is generated by this business sector is expected to increase by 4.5% to LAK 8,838.9 billion in the next ten years (Turner, 2015). As noted above, this shows that the tourism sector significantly contributes to Lao economic development.

2.4 Integrated Marketing Communication strategies for SMEs

2.4.1 The concept of Integrated Marketing Communication

Technological change and the increased use of social media result in an improvement in marketing communication and the needs for the integration of social media into traditional marketing. These changes lead to a new concept of marketing communication called “Integrated Marketing Communication” which aims to integrate all marketing communications that a company uses to communicate with its target market to optimise the use of resources and to improve the effectiveness of the communication. Integrated marketing communication is a strategic approach where all marketing communications are planned and managed as a single, unified process in order to enhance the overall effectiveness of the marketing efforts. It involves the integration of all marketing communication tools and channels such as advertising, public relations, direct marketing, sales promotion, and personal selling. The goal of integrated marketing communication is to create a consistent and unified message across all marketing communications channels in order to create a cohesive and effective marketing communication strategy. This results in improved customer perception, increased customer loyalty, and ultimately increased sales and profitability.
Communication (IMC)” (Kotler, 2003). The term “IMC” appeared in late 20th century and it was developed based on the needs for conveying consistent brand messages via a number of marketing platforms. IMC was developed in order to assist companies to present their offers to consumers and gain access to clients more effectively than simple and standard advertising channels (Saeed, Naeem, Bila & Naz, 2013). Integrated Marketing Communication is a process of communication that involves creating, planning, and implementing a number of marketing communication forms in order to deliver consistent messages to customers and prospects (Shimp, 2010). In addition, IMC is also described as a concept of advanced marketing communication by Darmarjati, Kusumawati and Mawardi (2016). They identified IMC as a marketing approach that utilises personalised strategies to influence consumers and applies advanced technology such as the internet and social media to reach groups of consumers while the traditional marketing communication only depends on mass media strategies to promote products and services to consumers.

The goal of IMC is to influence consumers through communication as it is a marketing approach that is used for influencing consumer buying behaviour by transmitting messages through a number of marketing communication channels (Chitty, Barker, Valos & Shimp, 2014). Shimp (2010) also points that IMC is about influencing the buying behaviours of target audience by combining a variety of communication channels and marketing tools to convey consistent messages to consumers. This is because a product or a brand which exists in consumers’ minds does not merely happen because of consumers’ experience, but it is also affected by a medium and long-term effects which consistent messages establish on consumers’ expectations and preferences through several communication tools (Mihaela, 2015). Therefore, IMC is considered as a powerful business tool for transmitting persuasive messages to influence existing consumers as well as gaining access to target audience and prospects (Pitta, Weisgal & Lynagh, 2006). Apart from influencing consumers’ buying behaviour, IMC is also developed with the aim of reducing marketing budgets since IMC could help enterprises to reduce the costs of advertisements and minimise duplicate advertising designs and photography (Csikósová, Antošová & Čulková, 2014). Therefore, applying IMC effectively in businesses could increase marketing advantages for companies as well as decreasing marketing costs since IMC could improve the cost effectiveness of mass media and media fragmentation (Fill, 2002; Csikósová, Antošová & Čulková, 2014).
As mentioned above, IMC is considered as an effective marketing approach that involves business strategies for SMEs since it could help small and medium businesses to convey a set of consistent messages through many offline and online media channels as well as saving costs for their marketing activities (Copley, 2014). Moreover, IMC is recommended as a crucial marketing approach for small and medium enterprises as it enables them to gain access to target audience directly with the low cost of marketing (Gabrielli & Balboni, 2010; Kokemuller, 2016)

2.4.2 Components of Integrated Marketing Communication

Integrated Marketing Communication is a combination of promotions tools that are used for transmitting consistent messages through a variety of communication channels in order to influence and persuade existing customers and prospects (Ferrell & Hartline, 2008). According to Percy (2008), IMC consists of five components, namely advertising, direct marketing, sales promotion, marketing public relations, and personal selling.

Advertising

Advertising is as a non-personal presentation as it is a method that a company uses to represent itself as well as promoting its products and services through communication platforms (Prasetyo & Nuzula, 2015). Advertising is described as a form of commercial mass communication that is designed for promoting goods or services in order to stimulate the sales of products and sale revenues (Prasad, 2009). It is a form of promotional communication that is often divided into sub-categories based on communication platforms such as printed media and broadcasting media (Hackley, 2010). Advertising is suggested as an important activity for companies since it is imperative for enterprises to present their company brands, products and services to groups of consumers. It also helps companies to minimise barriers in terms of presenting organisations’ identities in the marketplace (Rahmani, Mojaveri, & Allahbakhsh, 2012).

Direct Marketing

Direct marketing is described as a personal interaction between consumers and companies, and it is an interactive process that companies deploy in their businesses with the purpose of engaging their customers as well as communicating directly with consumers in order to simulate their
involvement (Chitty et al., 2014). Direct marketing is also recommended as a powerful marketing tool for enterprises in terms of establishing and enhancing customer relationships since it is a marketing activity that directly communicates and presents services and products to customers (King, 2008; Hollensen & Opresnik, 2015). Furthermore, direct marketing is suggested as marketing communication tools that reduce the marketing cost for companies since its marketing activities such as promoting products and services through social media and emails allow companies to reach their customers directly with the low cost of marketing (King, 2008; Hollensen & Opresnik, 2015).

**Sales Promotion**

Sales promotion is a non-personal communication pattern which involves different marketing techniques to increase sales volume and collect marketing information (Fill, 2013). Sales promotion is described as a marketing activity that is deployed in businesses with the purpose of stimulating consumers to purchase their products and services as well as enhancing buyer-seller relationships. It is classified as a short-term strategy that is used to boost sales volume by providing incentives to buyers during promotion time (Hollensen & Opresnik, 2015). Apart from that, sales promotion is applied in businesses to persuade buyers to switch from their preferable brands to other brands, and enterprises deploy incentive strategies such as gift cards, big discounts and coupons to gain attention from consumers as well as persuading them to try their products and services (Chitty et al., 2014).

**Personal Selling**

Personal selling refers to face-to-face marketing communication as it is a marketing activity that a seller contacts and interacts directly with buyers (Hollensen & Opresnik, 2015). In other words, it is a person-to-person communication that salespersons communicate with prospective customers with the purpose of persuading them to purchase products and services from companies (Chitty et al., 2014). Apart from that, personal selling also aims at creating strong buyer-seller relationships in order to enhance brand equity for a company by increasing brand awareness and brand attitudes among groups of customers (Chitty et al., 2014; Percy & Elliott, 2016).
Marketing Public Relations

Public relations (PR) is as communication activities that are designed for crafting firms’ images and establishing a positive corporate image in the public and groups of consumers (Prindle, 2011). They are a marketing tool used for building and strengthening the relationships between companies and stakeholders as well as enhancing the reputation of organisation (Fill, 2013). While traditional public relations are vital for companies, the new term “Marketing Public Relations (MPR)” becomes more important for firms as they focus on customers, products and firm’s images as a whole (Chitty et al., 2014). This is because a high advertising cost makes marketing public relations more valuable in comparison to the traditional public relations since companies can use marketing public relations to create public relations and promote brands at the same time (Chitty et al., 2014). Moreover, marketing public relations can also be utilised for launching new brands and new products in the marketplace as well as repositioning existing brands and creating positive brand attitudes among consumers (Copley, 2014).

2.4.3 Social Media and Integrated Marketing Communication

Nowadays, the innovation of communication technology can provide accesses to information and communication possibilities (Duffett & Wakeham, 2016). A new category of an interactive communication platform like social media creates convenience in communication such as communicating via text, instant messages and social network sites (Duffett & Wakeham, 2016). In the business environment, social media shifted business communication methods as it allows companies to gain access to and communicate with a large group of consumers simultaneously (Taneja & Toombs, 2014). As noted above, integrating social media into businesses is regarded as one of the most important activities in today’s business due to the fact that the main functions of business such as customer services, advertisings and public relations depend on social media (Hanna, Rohm, & Crittenden, 2011). In terms of marketing communication, the importance of social media even increases because it supports the spread of information and maintains the original information with a small number of deviations as well as providing opportunities for companies to communicate instantly with audiences (Qualmann, 2011). In addition, information, comments or reviews that are available in the internet-based communication channels also have an influence on consumers’ buying decisions to some extent (Gesenhues, 2013). As the
Dimensional Research (as cited in Gesenhues, 2013) reveals 90% of customers accept that both positive and negative online reviews and recommendations affect their consideration and decisions before making a purchase. Therefore, it is advantageous to business if companies pay attention to their consumers’ attitudes towards online comments and reviews since consumers take online reviews into consideration before deciding to buy products and services (Rudolph, 2015).

Recently, the number of social media usage has risen year by year. For example, the number of social media users in 2015 increased by 176 million users compared to last year (Smith, 2016). Due to the widespread use of social media, companies should have solutions to apply some kinds of social media presence and online presence strategically in their businesses because social media is highly used by individuals, and it is an online site where their potential consumers are (Niesche, 2014). Therefore, this results in an increase in the integration of social media into businesses with the aim of using it as a tool to directly connect and engage consumers. It is also used as an online communication channel for promoting products and services as well as developing business profiles among groups of consumers (Dolan, 2014; MacCann & Barlow, 2015).

As social media is regarded as a significant component of business communication, this lead to the involvement of social media in IMC (Khattab, Rumman, & Zaidan, 2015). Deodhar (as cited in Khattab et al., 2015) suggests that social networking sites such as social media is utilised as a marketing medium because of its accessibility, interactivity and efficiency. The author further recommends that employing social media effectively in businesses could help companies to strengthen relationships with customers and increase profits. Consequently, social media with several marketing communication tools can help companies to have a better result as well as creating a synergistic impact on other business functions, and this could positively affect sales and profits (Chun, Song, Hollenbeck & Lee, 2014; Zavrsnik & Jerman, 2011).

2.4.4 Integrated Marketing Communication strategic planning process

Marketing planning is acknowledged as a necessary process in business since it improves the potentiality of companies in order to deal with complicated business environment and it also helps companies to generate better business outcomes (Dibb, Farhangmerh & Simkin, 2001). In addition,
marketing planning is recognised as a process that supports the accomplishment of marketing objectives as well as contributing to organisational growth (Taghian & Shaw, 2005).

According to Percy (2008), the strategic planning process of IMC includes the five steps shown:

**Step 1:** Identify and select the appropriate target audience.

**Step 2:** Determine how that target audience makes a product and brand decision.

**Step 3:** Establish how the brand will be positioned within its marketing communication and select a benefit to support that position.

**Step 4:** Set communication objectives.

**Step 5:** Identify appropriate media options consistent with the communication objectives. Optimise message delivery and the processing of the message.

**Figure 2.1.** The five-step of IMC strategic planning process (Percy, 2008, p 26)

**Step 1:** The first step of the process is about identifying audience. Defining target audience is considered as the primary step of a marketing communication plan because it is vital for companies to identify who are their target audiences that they aim to sell products and services to (Graham, 2013). Ray and Chakraborty (2014) recommend that companies must identify their target audiences and understand the characteristics of the target audiences in order to increase the effectiveness of marketing communication tools.

**Step 2:** The second step is related to determining how the target audience make their decisions to buy products and choose one brand over the others. Rani (2014) suggests that identifying and
understanding the factors that influence consumers provide companies with more opportunities to develop effective marketing strategies and advertising campaigns to suit their target audiences, so that companies can better meet the needs of their consumers and increase business profitability. In addition, Lamb, Hair, and McDaniel (2012) mention that it is necessary for companies to understand the product and service preferences of consumers in order to create proper marketing communication practices for their target markets.

**Step 3:** The third step of the process is about brand positioning. Brand positioning is important in business since it represents the products and services of companies, and it publicises company names to make them more visible and recognisable among consumers as well as crafting brand images in consumers’ minds (Olsson & Sandru, 2006; Shimp & Andrews, 2013).

**Step 4:** Setting a communication objective is one of the necessary steps for marketing communication because the objective presents what companies would like their marketing communication activities to project about their brands to groups of consumers (Percy & Elliott, 2016). It also describes what companies need their target audiences to think, feel and react after deploying marketing communication activities (Marketing Binder, 2015).

**Step 5:** The last step of the planning process is related to choosing appropriate media options. Selecting suitable media for communication is important since there are a number of media options that are available for transmitting messages. Therefore, it is critical to select those media to facilitate and maximise communication objectives (Percy, 2008). In addition, the new trend of multi-channel services, where consumers need to use their preferred communication channels to interact with companies, brings about an understanding of communication channels preferences and provide possible convenient communication services for consumers (Saungweme, n.d.). Therefore, companies should understand their customers’ communication channel preferences and select technology ecosystems that support business agility and flexibility to meet their communication channel demands (Leggett, 2013).
2.5 The importance of Integrated Marketing Communication in SMEs

2.5.1 The need of Integrated Marketing Communication

The change in technology and consumer behaviour results in the needs for improvements in marketing communication (Warran, 2016). Marketing communication should be more practical and effective by using a variety of promotions rather than using simple promotions and traditional advertising because every interaction between a company and consumers concerns marketing communication (Percy, 2008). As a result, it is important for companies to be aware of their marketing communication development and improvements in their marketing skills as well as applying practical marketing communication to support their businesses (Kanibira, Saydanb, & Nartc, 2014).

In low-capital investment business like SMEs, marketing communication is recommended as an imperative and strategic approach for businesses (Rábová, 2014). Ruzzier, Ruzzier and Hisrich (2013) suggest that marketing communication is not only a strategic application for big organisations, but SMEs also need to apply good marketing communication strategies in their businesses in order to maintain and strengthen relationships with consumers. Marketing communication also helps companies to support their brand equity since the primary role of marketing communication is to build and strengthen company brands through a number of communication activities (Fill & Jamieson, 2011; Mihart, 2012). Moreover, enterprises can use their marketing communication activities to inform, persuade and remind consumers about their products, services and brands in the marketplace (Kotler & Keller, 2012). In consequence, this can contribute to the growth of customer engagement, increase competitive advantages as well as creating benefits for sales revenues and profitability (Ruzzier et al., 2013; Gronlund, 2013).

As noted above, the concept of Integrated Marketing Communication (IMC) becomes more important in all business since it is necessary for firms to gain access to their customers and target audiences through a number of communication options (Keller, 2001; Kotler, 2012). IMC is suggested as a strategic business tool for conveying persuasive messages to influence existing clients and potential customers as well as reaching groups of consumers in the marketplace (Pitta et al., 2006). Moreover, it is a strategic and operational approach that provides more communication opportunities for enterprises in terms of integrating and matching a variety of
communication tools and channels to reach their consumers in order to craft brand images and increase brand familiarity among consumers (Keller, 2009; Gabrielli & Balboni, 2010).

2.5.2 Integrated Marketing Communication and Brand Equity

In today’s business environment, creating and strengthening brand equity are more important for business since brand equity is related to consumers’ perceptions towards the overall products or services of companies compared to other brands in markets (Favrene & Lee, 2011). Brand equity is valued as a precious asset of a company because it can have an effect on consumers’ perceptions as well as supporting and strengthening a company brand (Karadeniz, 2010). Consequently, enhancing brands to be stronger and better well-known in the marketplace is crucial because strong brands can support companies to be more competitive (Hoeffler & Keller, 2002).

To increase brand equity, Integrated Marketing Communication (IMC) is taken into account. IMC is suggested as a potential marketing approach that increases the effectiveness of communication processes for companies (Madhavaram, Badrinarayanna, & McDonald, 2005). It is recommended as an important marketing approach that should be included as a part of creating effective brand strategies since IMC has a positive influence on brands and support the effectiveness of brand portfolio. Therefore, this can contribute to higher brand equity and better financial performance (Madhavaram et al., 2005). Kapferer (2012) and Malik (2009) also suggest that marketing communication should be applied in brand management because it adds more value to products and services by creating a consistent impression of a brand through persuasive messages. In consequence, marketing communication can contribute to brand equity of an organisation by creating brand awareness, crafting positive brand images as well as making brands be more familiar in groups of consumers (Keller, 2013).

The concept of Integrated Marketing Communication (IMC) was suggested as a strategic and operational approach for marketing communication because it gives opportunities for companies to integrate and match a number of marketing communication tools and channels to get access to their audiences in order to establish brand images and brand familiarity among consumers (Keller, 2009; Gabrielli & Balboni, 2010). Yeshin (2012) claims that advertising can build brand familiarity and keeps a brand noticeable in the marketplace as well as creating interest in groups of consumers. These actions can happen through messages and methods of communication that
companies choose for their advertising. Therefore, a positive or negative communication through advertising has an influence on consumers’ attitudes towards brand images (Abzari, Ghassemi & Vosta, 2014). Apart from that, IMC can increase brand awareness for firms by conveying consistent messages about their products, services and brand through a number of communication channels and marketing promotions (Percy, 2014). Percy (2014) claims that the primary job of IMC is to establish the connection between a brand and needs in consumers’ mindsets. This means that when a brand is reminded and consumers’ needs occur, then it is following by the increase of brand awareness.

As mentioned above, effective marketing communication can build a positive brand association in customers’ minds and then it can lead to consumers’ positive attitudes towards a particular brand (Percy, 2014). Applying effective marketing communication to support brands is important because it can increase business opportunities for enterprises to enhance their brand equity (Temporal, 2010). This is because having a strong brand does not merely help companies to be outstanding from their competitors in the marketplace, but it also supports business performance by creating confidence and loyalty among consumers (Holverson & Revaz, 2006). In addition, strong brands also help firms to be able to put greater control over promotions and distribution as well as setting better prices for their products and services than their competitors (Holverson & Revaz, 2006). Therefore, SMEs should pay attention to strengthening their brands and apply marketing communication strategically to support their brands.

2.5.3 Integrated Marketing Communication and Brand Position

In business, companies do not want only financial success, but they also aim to establish competitive brands in both domestic and international markets (Baumgarth, Merrilees, & Urde, 2013). In general, brand positioning has been proven as a strategic marketing technique for large corporations. For example, Nike and Apple brands can create high demands of their products among groups of consumers which lead the companies to become business leaders in their market (Ries & Trout, 2001). In the same context, brand positioning is also vital for SMEs because positioning brands effectively in the market could assist SMEs in establishing their brands in consumers’ minds and becoming well-identified in the market (Hlatshwayo, 2015). However, SMEs do not use their brands effectively to support their businesses due to the fact that small and
medium businesses lack clear positions for their products, services and brands (Opoku, 2006). Therefore, SMEs tend to have similar brand positions in the marketplace and have no clear brand distinctions from their competitors (Opoku, 2006).

To support brand position, marketing communication has an important role in positioning brands since companies can set what they need their brands to be positioned in the marketplace by conveying messages to their target audiences through their marketing communication activities (Percy, 2014). Furthermore, enterprises can differentiate themselves from their business competitors by using marketing communication to present their uniqueness as well as persuading consumers to believe why their brands could provide better products and services than their competitors (Percy, 2014). Since marketing communication significantly supports brand positions, IMC is suggested as a practical approach that helps companies to convey consistent messages about their products, services and brands across a number of marketing communication tools and channels (Saeed et al., 2013). This means that IMC provides more opportunities for companies to transmit particular messages to persuade their audiences to prefer their brands, products and services through several marketing communication tools and media, in which all messages that companies convey to their audiences should support their brand positions (Yeboah, 2013). Therefore, SMEs should focus on strengthening their brand positions in the marketplace by identifying their brand positions clearly and using marketing communication to support their brands.

2.5.4 Integrated Marketing Communication and buying decision processes

In today’s businesses, it is essential for SMEs to provide a wealth of high quality information to consumers in order to satisfy consumers’ needs (Ruzzier et al., 2013). Information from a variety of reliable sources can increase consumers’ trust and desires to purchase products and services since the availability of information becomes a part of consumers’ purchasing behaviour process, which influences them when they make buying decisions (Ruzzier et al., 2013). A buying decision is a process of decisions and actions that are made by individual, and it is the process about buying and using products and services Darmarjati et al. (2016). In other words, it is about the ways that individuals and organisations purchase and dispose of products and services in order to fulfill their desires and demands (Kotler & Keller, 2012).
Consumers’ buying decisions can be influenced by a number of factors, so it is necessary to understand consumers’ perceptions towards their product and service consumption as well as consistently communicating with consumers (Pride & Ferrell, 2012, Darmarjati et al., 2016). Kumar and Raju (2013) suggest that consumers’ buying decision can be influenced by emotions and rationality in which the emotions can create through the use of communication messages. Thus, marketing communication is important in this process since it serves as a source of interests where consumers can gain and evaluate information to understand the value of goods and services (Fill, 2005). IMC is recommended as a practical approach for communication because it is an approach that allows companies to create profitable relationships with customers and increase the value of their products and services by sending consistent messages through a variety of marketing communication tools (Mihaela, 2015). Peter and Donelly (2010) also argue that the activities of IMC, namely advertising, sales promotions, public relations, personal selling and direct marketing also have an effect on the psychology of consumers when they make decisions to buy products. This is because communication and advertising can influence the needs of consumers, help consumers to recognise what they would like to buy as well as shaping consumers’ attitudes (Shah & D’Souza, 2009). Therefore, by using advertising and promotions, firms can provide information to influence the beliefs and knowledge of consumers, establish emotions to influence consumers’ feelings as well as offering incentives to influence consumers’ buying behaviour in which these can impact the overall attitudes toward products and services and lead to buying decisions (Shah & D’Souza, 2009).

2.6 The importance of Integrated Marketing communication in the tourism

2.6.1 Marketing Communication in Destination marketing

Destination marketing is defined as all activities that businesses in the tourism sector implement in their marketing strategies in order to promote regions, tourist attractions, products and services (Sharmar, 2013). It focuses on increasing business competitiveness in the marketplace by providing information, responding to consumers’ demands, promoting products and publicising company names to audiences (World Tourism Organization, 2004).
In the tourism sector, an increase in business competition makes promotion activities and destination marketing have become more important for businesses in this sector (Schaar, 2013). Destination marketing is recommended as a crucial marketing practice in the tourism sector in terms of establishing brand positions as well as strengthening brands in the worldwide market (Fakeye & Crompton, 1991). It is considered as an important approach for businesses in the tourism sector since tourists can be persuaded and motivated through attractive messages and tourist attraction presentations (Sönmez & Sirakaya, 2000). Basically, destination marketing is focused on identifying, describing and differentiating tourist attractions and destinations. However, it also focuses on communicating tourism images and transmitting attractive messages to groups of prospective visitors with the purpose of inspiring and motivating them to visit (Blain, Levy, & Ritchie, 2005). As a result, communication is significant for destination marketing compared to tangible products because all kinds of communication, both verbal and visual communication used in promotional activities for destination marketing can create awareness and increase the desires of tourists (Wang & Pizam, 2011). Therefore, destination marketing requires all types of promotional communication to convey consistent messages to target audiences with the purpose of motivating the audiences and establishing certain brand images and brand identities in the minds of target markets (Morrison, 2013; Wang & Pizam, 2011).

2.6.2 Integrated Marketing Communication in the Tourism sector

According to McCabe (2012), the characteristic of tourism and hospitality is classified in a service category which makes the tourism sector heavily associated and dependent on marketing and promotional activities. Wang and Pizam (2011) claim that the success of destination marketing and destination branding is connected to marketing communication due to the fact that all information sources related to the tourism sector need to be transmitted through a unidirectional flow by using marketing communication. McCabe (2012) also suggest that conveying the right and attractive messages to target audience can contribute to the profitability and success of businesses in the tourism sector. Therefore, marketing communication is valued as a practical approach for the tourism sector in comparison to other simple advertising (McCabe, 2012).

As mentioned above, IMC is a practical approach, which can be used in the tourism sector, since the nature of this industry is about persuading and motivating consumers while the goal of IMC is
to influence audiences by communicating through a variety of marketing tools (Clow & Bacck, 2002; Pitta et al., 2006). IMC helps companies to communicate with their customers by transmitting a set of consistent messages to audiences through a number of available communication patterns, which do not only help the firms to strengthen buyer-seller relationships but also assist them in persuading and influencing consumers (Pelsmacker, Geuens & Bergh, 2001). In addition, IMC focuses on what are the best communication platforms for communicating with consumers and presenting company brands to appear outstanding compared to other brands in the market (Percy, 2014). Therefore, IMC is a powerful approach for travel agents and tourism authorities to fortify their positions and differentiate their brands, services and products from their business rivals in marketplace (Holm, 2006; Wang & Pizam, 2011). Consequently, this can contribute to improvements in marketing programmes as well as supporting destination marketing, which the more successful the application of marketing communication is, the more positive outcomes there will be (Duncan, 2002; Kitchen, 2005; Pickton & Broderick, 2005).

2.7 Marketing Communication Challenges Confronted by SMEs

Marketing communication is a practical approach which is applied in business with the purpose of presenting, persuading and reminding customers about their services, products and brands (Yeshin, 2012; Kolter & Keller, 2012). It plays an important role in terms of creating awareness, stimulating interest and needs in groups of consumers as well as contributing to brand equity by improving brand images and implanting brands in consumers’ memories (Gaikwad, 2016). Even though marketing communication is suggested as an important practice for supporting business promotions and business growth, there are a number of obstacles when implementing marketing communication (Saeed et al., 2013). According to Abdulla (2015) organisations confront many significant barriers to implement marketing communication, for example, a lack of marketing plans, expertise, budget and data base technology. In addition, Ebitu, Ufot and Olom (2015) point out fundamental marketing problems in businesses associated with marketing communication such as the inability to deploy modern marketing strategies and techniques, a lack of budget for marketing activities, difficulties in managing advertising and promotion tools and competition.

Besides, small and medium enterprises are likely to face many difficulties in comparison to large corporations due to a lack of financial resources (Thrassou & Vrontis, 2006). This is because large
companies and multinational organisations can deploy a variety of mass communication and hire marketing agencies to manage their marketing communication activities while SMEs lack financial resources to afford outsourced marketing agencies and apply a variety of mass media to support their communication activities (Thrassou & Vrontis, 2006). A lack of financial capacities in SMEs is also addressed by Longenecker, Moore and Petty (2006) who point out that limited financial resources are one of the factors that affects and shapes marketing communication practices in SMEs. Limited marketing expertise, a lack of human resources and time are other constraints for small and medium businesses, and these constraints result in a lack of marketing plans and the ineffectiveness of marketing communication practices in SMEs (Luxton, Hodge & Reid, 2002; Thrassou & Vrontis, 2006; Mpofu & Chigwende, 2013).

Apart from the aforementioned issues, advanced technology and a variety of communication channels such as the internet, social media and websites can increase challenges in business in terms of communicating with consumers since they could not be simply reached, influenced and convinced through traditional communication methods (Keller, 2013). In addition, SMEs rarely adjust their marketing strategies and operations to be in accordance with changes in business environment, so ineffective advertising campaigns and non-usage of a promotion mix might not enable SMEs to persuade consumers successfully and support their businesses effectively (Gundala & Khawaja, 2014). This can lead SMEs to the ineffective capabilities to promote their businesses, persuade consumers and compete with competitors, and it can also create a negative impact to the business growth of SMEs (Scott cited in Ebitu et al., 2015).

In conclusion, the basic marketing problems of small and medium businesses are identified as a scarcity of financial resources, a lack of marketing professionals and poor marketing strategies (Chaston & Mangles, 2002). These fundamental issues can put a negative effect on other aspects of marketing activities of SMEs.

2.8 Conclusion

In this chapter, the researcher provided the literature, which is relevant to the aims and objectives of the research study by integrating and narrowing theories and perspectives from a wide range of academic research and sources. According to the literature, it can be concluded that Integrated Marketing Communication (IMC) is necessary for destination marketing. It is an important
approach that businesses of every size, including small and medium enterprises in the tourism sector, should employ effectively in their business promotions.

2.9 Chapter Summary

In this chapter, the literature related to SMEs in the tourism sector and the concept of Integrated Marketing Communication (IMC) were presented. SMEs were described as the backbone of the Lao economy as it was a business sector that significantly contributes to the economic growth in Laos. The importance and contribution of SMEs to the tourism sector were also explained. This chapter further presented the concept of IMC including IMC components, IMC strategic planning process, the importance of IMC in SMEs and the tourism sector. In addition, the importance of IMC in brand equity, brand positions and consumers ‘buying decisions were also highlighted. Finally, some relevant marketing communication challenges, which SMEs confront were discussed in the chapter.

The next chapter discusses the method of data collection in detail. It presents the reasons why a particular research method was chosen as well as explaining the methods that were used to recruit the participants. Finally, the data analysis of this research study and ethical considerations are discussed in the chapter.
Chapter Three: Research Methodology

3.1 Introduction

In the previous chapter, the literature review was presented in order to indicate the importance and the role of marketing communication in SMEs in the tourism sector. The literature was reviewed to cover the aim, objectives and questions of the research study. Particularly, the concept of Integrated Marketing Communication (IMC) was addressed as an essential marketing communication approach for SMEs in the tourism sector.

In this chapter, the research methodology employed for collecting and analysing data is explained. The chapter begins with the research design. Then it discusses the reasons why a mixed method, based on quantitative and qualitative approaches, was selected for this research study. This is followed by a discussion on data collection methods, sample recruiting processes and data analysis. Finally, validity, reliability and the ethical considerations are explained in this chapter.

3.2 Research Design

A research design is an extensive plan for collecting data in a research project, and it refers to the blueprint of research that aims to gather data to answer specific research questions or to test particular hypotheses (Bhattacherjee, 2012). Abowitz and Toole (2010) suggest that there is no single perfect data collection method for a research study since each method has both weaknesses and strengths. Data collection methods should be based on the aims, objectives and questions of research projects. A researcher can use different types of data collection methods that are suitable and fit with research aims.

As noted above, this research study was positioned in a research paradigm called “a mixed method”. The mixed method was chosen as the data collection strategy because the aim and research questions of the research study required a combination of quantitative and qualitative methods. The research questions, which were formulated to achieve the purpose of the research
project, required exploration and in-depth understanding, so the mixed approach was selected as the research methodology for this study.

3.2.1 Mixed Method

The mixed method is a combination of qualitative and quantitative data collection approaches and it is a range of methods designed to help researchers apply deductive and inductive techniques to collect data to answer research questions which cannot be completely answered by either qualitative or quantitative data (Sreejesh & Mohapatra, 2013). In other words, the mixed method may employ both interviews and surveys in order to gather data to answer researchers’ questions (Frels & Onwuegbuzie, 2013; Venkatesh, Brown, & Bala, 2013). The mixed method is also described as a multi-strategy research which employs a number of different research strategies, and it also works with different types of data to get answers to research questions (Bryman, 2001). The main purpose of the mixed method is to use both quantitative and qualitative research approaches to provide a better understanding about a research problem, rather than applying only one approach (Cameron, 2011). The quantitative approach is practical for gathering information to answer questions of where, how, and who; it is also effective at identifying the relationships between particular variables while the qualitative research can provide reasons to researchers to explain how or why something occurs (Frels & Onwuegbuzie, 2013). Therefore, using both qualitative and quantitative approaches may help researchers to gain a deeper understanding of research problems and phenomena rather than using only a single research method (Creswell & Clark, 2010). However, even though the mixed method can provide many advantages to research studies, this method has weak points due to the fact that it takes time, financial and human resources to collect data (Venkatesh et al., 2013).

3.2.1.1 Qualitative Approach

The qualitative research is a primarily exploratory research because it is used to gain an understanding of underlying attitudes, reasons and motivation by delving deeper into problems (Wyse, 2011). This approach is used for discovering and understanding the views of individuals in relation to a social or human problem (Creswell, 2014). The qualitative data collection method could be carried out by using unstructured or semi-structured techniques depending on the actual
tasks which researchers perform to gather data. Some common data collection techniques for this research method are group discussions (focus groups), interviews with individuals or observations with a small sample size (Wyse, 2011; Tewksbury, 2009). The main advantage of the qualitative approach is the opportunity to examine assumptions, underlining values and beliefs (Choy, 2014). Besides, the nature of investigation based on this approach is broad and open-ended which allows participants to raise issues related to problems (Choy, 2014). Moreover, the information collected from the qualitative approach is more detailed and extensive because researchers interact directly with participants (Moriarty, 2011; Tracy, 2013). However, the qualitative approach has weaknesses which its primary disadvantages are identified as taking time and overlooking significant issues. In addition, the observations and conclusions of research could be influenced by personal experience and knowledge (Choy, 2014).

In this research study, the qualitative approach was used as one of the data collection methods since the researcher needed to examine the perspectives of SMEs owners/managers regarding the importance of marketing communication and to collect information on the use of marketing communication in their businesses.

3.2.1.2 Quantitative Approach

The quantitative approach is research methodology used for collecting and analysing data which is collected from diverse sources (SIS International Research, 2015). This method is based on numbers and statistics, and the research approach itself is independent, which does not depend on researchers, so the data collected from this method can be used to evaluate the reality (Williams, 2007). The purpose of the quantitative approach is to quantify problems and understand the prevalence of problems by finding and generalising results from a large sample group (Wyse, 2011). This approach is also used for describing and identifying a research problem based on trends in order to explain why something exists (Creswell, 2012). Furthermore, this method is applied to quantify attitudes, perceptions, behaviour and other defined variables, so research problems could be well understood through a study of individuals’ responses and a diversity of perspectives from a large population (Wyse, 2011; Creswell, 2012). The quantitative method provides a lot of advantages to a research study since they help researchers explain, define and clarify a wide range of problems by gaining perspectives from a large sample size to answer specific issues (Curwin &
Slater, 2008). However, an effective quantitative approach requires a large-scale research population and a large sample size. Thus, this might be a problem for research due to limitations in resources (Choy, 2014). Moreover, the difficulties of the quantitative approach are interpretation, design and sufficient sample size which can affect the accuracy of results (Madrigal & McClain, 2012).

The purpose of this research project is to identify some potential marketing communication strategies for Lao SMEs in the tourism sector. Therefore, the quantitative approach is an appropriate methodology to gather data from a large group of tourism consumers in order to understand their perspectives about marketing communication.

3.2.2 Rationale for applying the mixed method approach

To achieve the aim of the research, both qualitative and quantitative approaches (mixed method) were used as the data collection approach.

The qualitative approach was used in this study because the researcher aimed to scrutinise reasons and in-depth perspectives about marketing communication in businesses from the owners/managers of small and medium enterprises in the Lao tourism sector. By using the qualitative approach, the researcher could understand how SMEs in the tourism sector in Laos promote their businesses in the marketplace. Moreover, this approach could provide the opportunity for the researcher to gain an insight into situations, difficulties and underlying causes which create obstacles for SMEs to apply marketing communication to support their businesses. Therefore, the qualitative approach was appropriate for this research as it is suitable for gaining in-depth information, specific detail and further understanding about phenomena (Zikmund, Babin, Carr, & Griffin, 2010).

Apart from the qualitative approach, the researcher also employed the quantitative approach to collect numerical data from a large number of tourism consumers. The purpose was to understand how marketing communication influences their buying decisions and perceptions towards enterprises. Moreover, this approach allowed the researcher to understand the broad perspectives and preferences of a large group of consumers about advertising through marketing communication. Consequently, the quantitative methodology was selected and applied in this
research since it is used for understanding the prevalence of problems, and quantifying attitudes, perceptions, behaviours and other variable from a large group of participants (Wyse, 2011).

3.3 Method of Data Collection

3.3.1 Sample selection

It is difficult and impossible to survey the whole population for a research study as it is time-consuming and costly, so it is better to select a group of individuals to become the representative “sample” of the whole population to study (Walliman, 2011). According to Sachdeva (2008), sampling is a process of selecting units, individuals or organisations, from the population of interest. By studying samples, researchers can generalise research results back to the whole population where the samples are selected from (Sachdeva, 2008). In other words, sampling is a process of collecting information about a population by investigating only a part of it (Dhawan, 2010).

In this research study, the target samples were small and medium-sized enterprises in the tourism sector and international tourists who travelled to Laos. The reason for choosing these samples was because the purpose of the research study was mainly focused on marketing communication strategies for SMEs in this sector. Therefore, the information from these samples were essential as it can provide answers to the research questions.

3.3.1.1 Sample for Semi-Structured Interview

The sample for the semi-structured interviews were selected depending on purposive sampling. Purposive sampling is a nonprobability sampling which is a technique used for selecting certain samples based on a specific purpose (Teddlie & Yu, 2007). This type of sampling is also called “judgment sampling” which is a technique researchers decide what needs to be understood and set out to find participants who are willing to provide information for their research studies (Bernard, 2002). This sampling technique is appropriate for researchers who aim to choose specific samples in order to collect rich information from samples to answer research questions (Neuman, 2005; Saunders, Lewis, & Thronhill, 2012). According to the objectives and questions of this research study, purposive sampling was considered as suitable sampling for semi-structured interviews
because the researcher needed to collect in-depth information and gain an insight into marketing communication practices within the context of SMEs in the Lao tourism sector.

The potential participants for the interview were chosen depending on the purpose of the research, business sizes, business types and positions. The sample were individuals who were in charge of marketing practices for small and medium enterprises in the Lao tourism sector. In other words, the potential participants were individuals who play key roles in marketing planning and activities in their businesses. The sample for this research study were ten SMEs in the Lao tourism sector. O’Leary (2014) suggests the size of samples for the qualitative approach can be at least ten samples. Therefore, the researcher decided to use this number as the representatives for the population of interest.

3.3.1.2 Sample for the Survey Instrument

As sample selection method for a survey instrument was based on a random sampling technique. Random sampling is sampling technique that every individual in the target population has an equal chance to be selected for a survey (Sachdeva, 2008). This means each person in the accessible population has the same opportunity of being included in the sample (Teddlie & Yu, 2007). Since the researcher aimed to understand the perspectives of a large group of tourism consumers towards marketing communication, so random sampling was chosen as the technique to recruit the sample for the quantitative data collection. This is because the researcher needed to give opportunities to all units in the target population to be selected for the survey instrument.

The samples for this survey were chosen from the population of the tourists who could use English and were travelling in Laos. The researcher decided to distribute questionnaires to these potential participants because the purpose and objectives of the research study concerned the marketing communication of businesses in the tourism sector in Laos. Moreover, the researcher has an ability to use English as a second language besides the mother tongue, Lao language. Therefore, the tourists who were travelling in Laos and understand English were appropriate to be potential participants for the surveys. For the quantitative data collection, 100 tourists were set up as the number of participants. According to Delice (2010), the sample size between 30 and 500 at 5 % confidence level is generally sufficient for many researchers. Due to the time duration and the
budget for conducting research, this number was considered as the sufficient number of samples for this research study.

3.3.2 Participant Recruiting Process

3.3.2.1 Semi-Structured Interview Recruiting Process

Initially, the researcher recruited the participants for the interviews by contacting the target SMEs in the tourism sector in Laos through telephone in order to introduce the researcher and the purpose of the research. After that, the researcher sent participant documents in both Lao and English formats to the participants via email so that they had opportunities to consider before making decisions. After the participants agreed to participate in the interviews, the appointments were made to confirm the date, time and place of the interviews. On the interview day, the participants were informed about the research project, the right of participants and the interview process to ensure that the participants understood their rights and the procedures of the interviews. Then the participants were asked to sign the participant’s consent forms at the end of the interviews. All the activities and processes of recruiting the participants were conducted depending on the willingness of the participants, and there was no incentive or payment from the researcher or any individual to persuade the participants to participate in this research study.

3.3.2.2 The Survey Instrument Recruiting Process

The participants for the survey instrument were recruited randomly from the population of interest in Laos. According to the purpose of the research, to find out perspectives of tourism consumers about marketing communication, the researcher recruited the participants who are international tourists who were travelling to tourist attractions in Laos. During the data collection process, the researcher asked for permission and collaboration from the authorities of each tourist attraction before starting questionnaire distribution. To get 100 participants, the researcher randomly selected the tourists who were travelling in tourist locations based on their English proficiency. When contacting the potential participants, they were informed briefly about the aim of the research study. Then, the questionnaires were distributed to the participants who volunteered to participate in this research study. After that, the researcher gave time to the participants to answer the questions privately without any suggestions and influence from the researcher. However, if
there was any unclear point, the participants were allowed to ask the researcher for clarification. When the participants finished the questionnaires, the forms were collected and kept by the researcher.

3.3.3 Pilot study

To ensure the interview and survey questions were applicable and suitable for the samples, it was necessary for the researcher to pre-test the questions before conducting the real survey. According to Rattray and Jones (2007), a pilot study is important for a research study since it helps a researcher to identify the parts of the survey questions that are unclear and inappropriate for respondents. Before undertaking the official interviews and distributing the questionnaires to the participants, the researcher did pilot testing for both question sets, the interview and survey question. For the interview questions, the researcher did the pre-test by discussing the interview questions with a few Lao businesspeople in order to ensure that the questions were understandable for them. Apart from the pilot testing for the interview questions, the questionnaires were also tested. The researcher sent the questionnaires to some friends who use English as their second language to test the questions if the questions were easy to understand for the respondents. After the pretesting, the researcher received some constructive comments and adjusted both interview and survey questions based on the comments.

3.4 Data collection

Data collection is a process that researchers use for collecting and assessing data and variables of interest, and it is a process which allows researchers to test and generate answers to hypotheses and research questions (Technopedia, 2016). There are a variety of data collection methods that researchers can choose and apply for collecting information for their research, for example, closed and open ended-questions, interviews, tests and scales, observational and experimental methods (Malik & Khaliq, 2014). Since the purpose of this research was to examine in-depth information in SMEs and the perspectives of tourism consumers regarding marketing communication, the semi-structured interview and questionnaire survey were selected as the methods of data collection for this research project.
3.4.1 Qualitative data collection

In this research study, the interview was chosen as a method of qualitative data collection. According to Ghauri and Gronhaug (2005), the interview is defined as a face-to-face verbal activity which an interviewer uses to gather information, perspectives, and opinions from an interviewee. In this study, the researcher decided to employ semi-structured interviews because it was the most suitable method for the researcher. O’Gorman and MacIntosh (2014) suggest that the semi-structured interview is the data collection method that is appropriate for a researcher who lacks experiences in interviews since interview questions are already prepared in advance in order to ensure that all critical points are covered. Furthermore, this type of data collection can reduce the influence of researchers on respondents because interviewees can retain their freedom and flexibility to express their viewpoints and ideas (O’Gorman & MacIntosh, 2014). Semi-structure interviews allow researchers to gain more opinions from interviewees since the types of answer are open-ended, so respondents can elaborate their points of interest (Denscombe, 2014). Consequently, the researcher selected the semi-structured interview as the technique to collect the data from SME businesses for this research project.

The qualitative data collection for this research project took place in the Vientiane capital of Laos, from September to October 2016. The face-to-face interviews were conducted with ten SME owners/managers in the tourism sector in Laos, and the interviews were arranged at their offices. The interviews were conducted in Lao and English languages depending on the participants, and the time duration for each interview was approximately 40 minutes to one hour. During the interview, the researcher recorded the conversations and noted important points down into a booklet for data transcription and analysis.

3.4.2 Quantitative data collection

For the quantitative approach, the questionnaire survey was chosen as a data collection method from groups of tourism consumers. According to Wilson (2010), the questionnaire is a data collection method that consists of a set of questions, and it is designed to generate suitable data in order to meet the objectives of a research project. The author also suggests that incorporating different question types and techniques in the questionnaire can help a researcher to collect a wide
range of data (Wilson, 2010). Apart from that, the questionnaire survey allows researchers to investigate real perspectives and true answers from respondents since there is no influence from researchers or other individuals, so this creates independent feelings for respondents when they answer questions (Walliman, 2011). In this research, the self-administered questionnaire was selected as the type of questionnaire for data collection. The self-administered questionnaire is a survey style that respondents can answer a number of questions and complete a questionnaire by himself or herself without being subjected to problems of a researcher’s biases or influence (O’Gorman & Maclntosh, 2014). Therefore, the self-administer questionnaire was employed to collect the quantitative data for this study.

The questionnaires of this research study were distributed to 100 international tourists who were travelling in Vientiane, from September to October 2016. The set of questions was designed as closed-ended questions since this style of questions was easy and saved time for respondents when providing answers. This is because closed-ended questions are a set of questions that respondents can choose their answers from the given answer choices, so this question style is easy for respondents as it does not require writing skills (Walliman, 2011). All the questionnaires were distributed to the respondents and collected from them by the researcher.

3.5 Data analysis

Once the data collection was carried out completely, the next step was data analysis. According to Bala (2005), data analysis is an ongoing activity which provides answers to research questions and gives directions to the data collection in the future. When assessing data, the researcher applied the descriptive data analysis method. This type of analysis method is used for describing the features of data in a research study and providing simple summaries regarding the samples and the measures (William, 2006). It is the process of data transformation by describing the basic characteristics of data such as distribution, variability and central tendency (Bryman & Cramer, 2011).

3.5.1 Qualitative data analysis

Selecting an analytical method to evaluate the qualitative data is very important because it helps to shape the nature of the analysis process. Wilson (2010) states that selecting an inductive or
deductive approach to evaluate qualitative findings is crucial because the approach will help researchers to determine how to assign analysis categories. For this research study, the researcher applied the inductive approach as the analytical method. Inductive approach is a systematic procedure that is utilised for analysing qualitative data for specific objectives of a research study (Thomas, 2006). To evaluate the qualitative data, this research study was undertaken by following 5 procedures below:

1. Preparing raw data files: For this researcher study, raw data was transcribed from Lao into English. Then it was put into a common format such as making a backup of each interview, printing each interview transcripts, highlighting interviewers’ comments and viewpoints.

2. A close reading of the text: once the transcripts of each interview were prepared, the researcher read the transcribed data thoroughly in order to become familiar with the content as well as gaining an understanding of the themes.

3. Creating categories: the researcher identified and defined the categories or themes of the data and the relevant information by coding. Coding refers to fracturing data and rearranging it into categories so that a researcher can select the elements of data which are interesting and relevant to the research (Wilson, 2010). The data can be classified and grouped into categories and then each category is given a name by code (Boeije, 2010). However, there was some information in the transcribed interviews which was not coded since it contained the information irrelevant to the research questions (Ghauri & Gronhaug, 2005).

4. Overlapping coded and uncoded text: the researcher checked if there was any segment of text that was not assigned to any category, and if there was any segment of text that may be coded into more than one category. In addition, the researcher checked if there was any information that was not pertinent to the analysis objectives.

5. Revising and refining the system categories: the researcher identified sub-topics, unexpected points and new insights. Then, the researcher selected suitable quotes which seemed to summarise the overall meaning of a category. This was done to refine the connections between similar categories.

Finally, the findings were interpreted and developed into meaningful concepts in order to answer the research questions.
3.5.2 Quantitative data analysis

When analysing quantitative data, the statistical software package called “Statistical Package for the Social Sciences software (SPSS)” was used to analyse the data. SPSS is a packages of programmes that is used for manipulating, analysing, and presenting data and it is suitable for managing and evaluating numerical and statistical data as well as complex samples (Landau & Everitt, 2004; Oliver, 2010). It is the most widely available statistical software that can be used with quantitative data analysis (Greasley, 2008). The data from the questionnaire survey was entered into SPSS software according to the set of variables and then the software analysed the data and presented the output. After that, the analysis output was interpreted and described to answer the research questions and hypotheses. In this research study, SPSS was basically used to analyse the data in a descriptive statistical method “Frequency analysis”. Frequency analysis is the method that is used to study descriptive statistics. It deals with the number of occurrences (frequency) and examines measures such as dispersion, tendency, and percentiles (Research Optimus, 2016). Frequency is employed to calculate the number of occurrences of each response that are chosen by respondents (Norusis, 2008). It also helps a researcher to analyse the result of data and draw conclusions by calculating mean, median and mode (Gray & Kinnear, 2012). Furthermore, frequency is the data analysis method that fundamentally extracts data to represent the statistic of the respondents such as age-group, gender, incomes and so on (Meyers, Gamst & Guarino, 2013; Verma, 2012). The researcher used frequency data analysis in this research study in order to show the number and percentage of the respondents, age-group, occupation, marketing tools preference, marketing communication channels and so on.

3.6 Validity and Reliability

The validity and reliability of the findings are one of the essential aspects which the researcher considered during the research study. Saunders et al. (2012) suggest that reliability represents the quality of research and quality is considered as a crucial dimension among groups of researchers because quality makes their research studies reliable and acceptable. Therefore, all activities and procedures of this research study were implemented based on intensive consideration and assessments in order to create the reliability for the research results.
To establish the validity and reliability of the research findings, the researcher considered following issues when conducting the research and assessing the data:

- The sample selection: to collect rich information for the research study, the participants were chosen carefully in order to fit with the research purpose. The interview participants were selected based on their positions and responsibilities. Since this research study focuses on marketing communication, individuals who were in charge of marketing planning and business promotions for their companies were the samples for the interviews. For the questionnaire surveys, the respondents were international tourists who were travelling in Laos. Based on these criteria, the samples could provide relevant information and perspectives which are appropriate to the research objectives.

- The sample recruitment: the respondents were informed about the research project and the purpose of collecting data before making decisions to participate in the research study. This could increase the research validity and reliability since the participants could consider the information and prepare themselves before the data collection was executed (Saunders et al., 2012).

- The reliability of data evaluation: The data analysis of this research was based on descriptive data analysis. The collected data from the interviews was analysed by the inductive approach while the Statistical Package for Social Sciences (SPSS) was used for assessing the data from questionnaire surveys.

- Avoiding biases in the research study: The research instruments, both the interview questions and questionnaires, were scrupulously formulated in order to ensure that there were no leading questions. Furthermore, the results were analysed based on the source data. Therefore, biases were minimised in the findings of the research.
3.7 Ethical Considerations

Ethics was considered as one of the most important parts of this research study. It is necessary for a researcher to pay attention to ethics since negative issues can happen when conducting research. Oliver (2010) and Tracy (2013) suggest that it is necessary for researchers to consider ethical issues when conducting research in order to avoid any issues that could lead to any harm, dishonesty and invasion of privacy. In addition, Wilson (2010) explains that ethical issues are a concern to all researchers because a research study could be discredited by any action that disrespects the privacy and confidentiality of the participants. Therefore, this might create a negative impact on the reputation of a researcher or sponsors. Due to importance of ethics, this research study was conducted carefully under ethical considerations, and it followed the guides of Unitec Research Ethics Committee (UREC). Moreover, the researcher carefully designed the research instruments in order to minimise harm and diminish privacy invasion that could occur during conducting the interviews and surveys.

To ensure that this research study was undertaken based on the ethical principles, the researcher submitted a formal ethical application document to UREC with the purpose of receiving an ethical approval. After receiving the approved letter UREC number 2016-1044, the researcher used this letter as an official document to present the ethical considerations of this research study when recruiting the participants. The ethical approval letter was attached with the participant information paper and other documents, and then these documents were sent and presented to target companies and respondents when asking for their collaboration and participation. During the data collection, this research was conducted with ethical considerations by not emphasising and criticising any cultures, ethnicities, individuals and specific groups. Any sensitive issue related to cultures or societies were not identified since the purpose of this research study mainly focuses on marketing communication strategies for SMEs in Laos. The researcher carefully collected the data based on the principles of protecting the participants’ rights. All the information that could refer to the participants’ privacy, and their identities were not disclosed in this research study in order to avoid any negative impact on the participants. For the security of the collected data, all the data gathered from the participants, both the interviews and the questionnaires, were kept in a secure place and only the researcher and the supervisors were allowed to access the data. Both electronic and paper data for this research study will be kept for five years before being destroyed.
3.8 Conclusion

In this chapter, the process of the data collection and data analysis for this study were discussed and explained. The interviews and survey instrument were the main methods used for collecting the data for this research study. The data was separated into two types: the qualitative data and quantitative data. The collected data was analysed by different methods, the data that was collected from the interviews was analysed by the inductive approach while the data that was gathered from the survey instrument was analysed by SPSS analysis programme.

3.9 Chapter Summary

The chapter provided the discussion on the research methods that were applied in this research study. The discussion presented a number of theories and gave the reasons why each data collection method was chosen and employed. In this research study, the mixed method was selected as the data collecting method. The qualitative approach, semi-structure interviews, was used for collecting the information about marketing communication practices from SMEs in the tourism sector in Laos while the quantitative approach, the survey instruments, was utilised to examine the viewpoints of the tourism consumers regarding the influence of marketing communication on their buying decisions. Apart from that, the techniques that were used to recruit the participants and collect the data from the participants were clarified. The total participants for this research were 110 participants. Ten participants were the owner/managers of SMEs in the Lao tourism sector in Laos who were recruited for the interviews, and 100 respondents were international tourists who were travelling in Laos which were recruited for the surveys. The data analysis method was also discussed in this chapter. The data was evaluated based on the descriptive data analysis method in which the qualitative data was analysed by the inductive approach while the quantitative data was analysed by SPSS. Finally, the validity, reliability and ethical considerations for this research were identified in this chapter. In the next chapter, the empirical analysis is explained and the findings of the research are given.
Chapter Four: Empirical Analysis and Findings

4.1 Introduction

In the previous chapter, the research methodology for this research study was explained and justified. The mixed method was selected as the research approach for collecting data for this study. In addition, the procedures for recruiting the participants for semi-structured interviews and survey instrument were described. Finally, the analysis methods, the validity and ethical considerations for this research study were explained.

This chapter reports findings, which are basically categorised according to the research objectives and types of data. The findings are separated into two main sections: interview results and survey results. In the first section, the information about marketing communication practices from ten participating SME owners/managers in the Lao tourism sector are analysed. Then, in the second section, the survey findings about the influence of marketing communication activities from 100 participating international tourists in Laos are examined and analysed by SPSS analysis programme.

4.2 The result of data collection and analysis

In the processes of data analysis, the ethical principles and protection of the participants were carefully considered. Therefore, names or any information which could identify the company names and personal identities of the participants are not revealed in this research study. The participants of this research project are anonymous by using codes and numbers in order to avoid any harm which could negatively affect the participants’ businesses and privacy.

According to the mixed method of data collection, the participants of this research were classified into two categories, namely the interview findings and survey findings, so it results in the difference in the coding process. In the analysis process, ten SME participants for the interviews were coded by SME 1, SME 2, SME 3 to SME10 respectively, and 100 respondents who participated in the survey were named by codes such as Respondent 1, Respondent 2, and
Respondent 3 to Respondent 100. Consequently, the data results were separated into two sections; the interview results and survey results based on the aim of the research.

4.2.1. The Semi-Structured Interview result

The interview result of this research project was themed and categorised based on the research objectives. The purpose of the semi-structured interview is to collect data for two research objectives: the awareness and importance of IMC in SMEs; and the current marketing communication practices and the relevant difficulties that SMEs faced.

4.2.1.1 Examining the awareness and importance of IMC in SMEs

The main purpose of this research objective is to investigate the participating SMEs’ understanding and awareness of the concept of Integrated Marketing Communication (IMC). Furthermore, another objective is to understand the viewpoints of the SMEs participants regarding the importance of IMC to their businesses. Ten SME participants in the tourism sector in Laos were asked to express their understanding and points of views towards IMC. By investigating these issues, the researcher can understand how IMC is understood by SMEs in the Lao tourism sector. Two sub-questions (1) and (2) are formed in order to collect the information and generate the answers for these research objectives.

4.2.1.1.1 SMEs participants’ understanding and awareness of IMC

The participants were asked to explain their understanding about the term or the concept of Integrated Marketing Communication (IMC). The finding is as follow:
The figure above shows that the concept of Integrated Marketing Communication (IMC) was not recognised by the majority of the participants. From the interviews, only 10% of all the SMEs participants could explain what IMC was, although this participant could not explain the meaning of IMC precisely according to the definition in the literature. 20% of SMEs claimed that they were aware of the meaning of IMC, but they could not explain its definition while the rest of the participating SMEs (70%) were not sure about the meaning of IMC, and they never heard about it before. However, when the researcher explained the concept of IMC to the participants, they could link this marketing communication concept to what they practiced in their marketing. They explained that this concept was similar to what they undertook in their marketing communication since they used a variety of marketing communication channels and tools to promote their businesses.

According to the findings, it could be concluded that the majority of SMEs in the Lao tourism sector are unaware of the concept of IMC.
4.2.1.1.2  The SME participants’ viewpoints on the importance of IMC in businesses

To investigate how IMC is viewed by SMEs in the Lao tourism sector, the participating SMEs were asked to express their opinions on IMC in terms of the importance of IMC to their businesses. The finding is as follow:

![Pie chart showing 90% Necessary and 10% Not necessary](image)

**Figure 4.2:** The viewpoints of the SME participants towards the importance of IMC (n=10)

Based on the pie chart above, IMC was accepted as an important marketing communication concept by the participants. 90% of the participating SMES stated that IMC was necessary for companies. They gave their opinions that using different kinds of marketing communication tools could contribute to their businesses, both financial and non-physical assets. They further explained that promoting businesses through many marketing communication channels enabled companies to get access to clients in different ways, and this could create more opportunities for company brands to become more recognisable among groups of consumers. Hence, it could contribute to increased benefits for companies in terms of financial and other aspects respectively. However, IMC was considered as an unnecessary marketing communication approach by the minority of the participants. 10% of the participants said that using many marketing communication tools was unimportant for the business because the company has already been well-known in the marketplace. This SME participant further explained that the company used to promote its business
through different methods, but it was unsuccessful. Besides, an online marketing communication was viewed as an unnecessary marketing communication tool for this SME participant since it just wasted time and increased expenditure for the company.

According to the answers from the majority of the respondents, it could be concluded that IMC is viewed as an important and strategic marketing communication approach by SMEs in the tourism sector in Laos.

4.2.1.2 Investigating the current marketing communication practices and the relevant difficulties which SMEs faced.

The purpose of this research objective is to explore the marketing communication practices and strategies which the Lao tourism SMEs are currently deploying to support their businesses. Furthermore, some relevant challenges which SMEs face when deploying marketing communication are examined. By investigating this issue, the researcher could understand how marketing communication is exercised by SMEs in the Lao tourism sector and what relevant difficulties in their marketing communication are. To find answers for these objectives, sub-questions (3) and (4) were formulated. Ten SMEs owners/managers were asked about how they promoted their businesses in the marketplace and what relevant difficulties which they faced when deploying marketing communication.

4.2.1.2.1 Marketing Communication practices by the SME participants

To understand how the SME participants are currently undertaking their marketing communication activities in the marketplace, the participants were asked about the following topics:

4.2.1.2.1.1 Business promotions by the SME participants

This question was used to ask the participants about how they are carrying out their business promotions currently.

The bar chart below reveals the majority of the respondents deployed a variety of marketing communication tools and strategies to persuade and gain access to their customers. 90% of the participating SMEs said that they used different kinds of marketing communication tools in their
businesses such as joining international trade fairs, promoting business through travel magazines, brochures, newspapers and websites, offering special prices, presenting products and services to agents. Only 10% of the participants mentioned that its company is promoting its business through only the company website currently.

According to the answers from the majority of the participants, it is apparent that many marketing communication tools were applied to promote businesses by the participating SMEs. In conclusion, SMEs in the Lao tourism sector integrate different marketing communication tools in their business promotions.

![Marketing Communication Usage Graph](image)

**Figure 4.3**: Business promotion of the SME participants (n=10)

### 4.2.1.2.1.2 Marketing Communication plans by the SME participants

This question related to the marketing communication planning process of the participating SMEs. The participants were asked whether they established marketing communication plans before doing promotions.

The information of the interviews showed that all of the participating SMEs outlined their marketing plans before launching any marketing communication activity, and 20% of the
participating SMEs asked their marketing departments to frame and organise marketing practices for companies while 80% of the participating enterprises stated that their marketing communication plans and activities were designed and managed by business owners/managers. Therefore, this showed that the SMEs in the Lao tourism sector prepare strategic plans for marketing communication activities.

To gain insight into how SMEs in the tourism sector establish their strategic plans for marketing communication practices, the participants were asked about sub-questions, which are in accordance with the five steps of Integrated Marketing Communication strategic planning process suggested by Percy (2008).

4.2.1.2.1.3 Identifying appropriate target audiences

This sub-question aimed to discover if the participants valued the importance of identifying appropriate target audiences for their marketing communication.

The chart on the next page shows that the majority of the SMEs identify their target audiences for their marketing communication activities. 90% of the SMEs participants mentioned that it was very important for them to identify target audiences because each target audience had different characteristics and nature. Furthermore, they explained that identifying target audiences could help them to be more effective in gaining access and promoting business to the right audience. This could not merely create the convenience for companies to put marketing communication into practice, but it also helped companies to save time and marketing budgets. However, 10% of the participants said that the company did not identify target audience for its business when doing marketing communication or promotion.
4.2.1.2.1.4 **Identifying factors which influence consumer buying decisions by the SME participants**

This question related to consumers’ buying decisions, and the participants were asked if they understand and identify factors which persuade their target audiences to decide to choose their companies.

The bar chart on the next page shows that 60% of the participants could identify what factors that persuade their target audiences to be interested in their products and services and choose their companies. 30% of the SMEs participants were unsure and could not identify factors which affect consumers’ buying decisions, while 10% of the participating SMEs accepted that its company did not pay attention to this aspect.

In conclusion, SMEs in the Lao tourism sector do not highly value an understanding of the factors which influence consumers’ buying decisions.
Figure 4.5: Identifying factors which influence consumers’ buying decisions by the SME participants (n=10)

4.2.1.2.1.5 Defining brand positions by the SME participants

This question asked the participants to find out whether they could identify their brand positions in the marketplace.

Figure 4.6: Defining brand positions by the SME participants (n=10)
The figure above illustrates that the majority of the participants could identify their brand positions in the marketplace. 90% of the participating SMEs could identify their positions. 50% of the SME participants had similar brand positions such as providing wide range of services and products to consumers and 40% of them identified their brand position as destination experts in Laos. Only 10% of the participating SMEs could not define their brand position in the marketplace.

It can be concluded that SMEs in the Lao tourism sector can identify their brand positions. However, it might be difficult for SMEs to make themselves outstanding in the marketplace since they identified their brand positions similarly to other companies.

4.2.1.2.1.6 Marketing communication objectives of the SME participants

This question asked the participating SMEs about their objectives when doing marketing communication.

According to the bar chart, it is clearly seen that presenting company brands was a marketing communication objective which the majority of the participating SMEs aimed at. 70% of total participants stated the main objective of their marketing communication was about presenting and making their companies and brands well-known in the marketplace. They believed that when their company brands become popular in the marketplace, then it would create positive consequences to their sales and other business aspects. Another objective, which the respondents set for their marketing communication, was increasing sale volume. 20% of the participants mentioned that the key marketing objective for them was stimulating sales since their companies are already well-known in the marketplace. 10% of the participating SMEs mentioned that its company did not pay attention to reputation and brands since the company tried to create the confidence of the groups of business partners and customers and increase sales.
4.2.1.2.1.7 Marketing Communication channels usage by the SME participants

This question was designed to investigate what communication channels the SMEs participants use for their business promotions.

The bar chart below illustrates that company websites were the most widely used channel which the participating SMEs utilised in their marketing communication. The majority of the participants (90%) created company websites to promote their businesses while only 10% of the participants did not have a company website. Travel magazines and brochures were other options widely used by the participants. 80% of the SMEs participants promoted their businesses through travel magazines while 70% used brochures in their business promotions. In addition, television and newsletters were other means which the participants chose to promote their businesses. 40% of the respondents mentioned that they also promoted their companies via television while 30% of the participants used newsletters to update information about companies and products. Participating in trade fairs was another way in which the participating SMEs used to promote their businesses. 40% of the participants said that they took part in international trade fairs to present their companies in the international market. Apart from that, the findings revealed that online marketing channels were not widely applied in marketing communication since only 30% of the participating SMEs created websites to promote their businesses.
SMEs actively used online channels for their businesses such as advertising websites and Facebook.

It can be concluded that the majority of SMEs in the Lao tourism sector use traditional advertising as a basic marketing communication channel while online marketing tools such as social media and websites are constantly used by some enterprises.

![Marketing communication channel usage by the SME participants (n=10)](image)

**Figure 4.8: Marketing communication channel usage by the SME participants (n=10)**

### 4.2.1.3 Some relevant difficulties which the SMEs faced when applying marketing communication

The aim of this question was to ask the participants to provide their comments on the challenges of applying marketing communication for their businesses.

According to the information from the interviews, it is found that the main difficulties that the SMEs participants faced, when employing marketing communication in businesses, were a lack of human resources, limited marketing budgets and marketing experience. 70% of the respondents said that they did not have marketing officers or qualified marketing officers to manage marketing communication activities for companies, while limited financial resources and limited marketing
knowledge were mentioned as other difficulties which impede the marketing communication activities of the SME participants to some degree.

Apart from that, the finding showed that the participating SMEs had some difficulties in promoting their businesses in the global market due to the fact that Laos is not well-known in the international market, and there was inadequate support from Lao authorities in terms of commercial promotions at international level. 60% of the SMEs participants explained that it was fairly difficult for them to promote their companies in the international marketplace because Laos is not famous for tourist destinations, especially in the European market. They further suggested that it would be advantageous for tourism businesses if the Lao government paid attention to the promotion of Lao tourism so that it become more well-known at an international level.

Another relevant difficulty which the participants faced was the impact from suppliers. 30% of the participating SMEs mentioned that it was quite difficult for them to control and manage promotions, especially sales promotions because their services and products were dependent on their suppliers, for example, air and ground transportation. Consequently, any changes from suppliers in terms of prices, and the availability of products and services could affect, impede and limit their marketing communication activities.

In addition, there are some interesting findings related to the challenges in implementing marketing communications to support businesses, namely price competition and language barriers. 10% of the respondents mentioned that the company faced price competition when promoting new products and services in the marketplace. This participant explained that other companies provided similar tour programmes and services with lower prices when its company posted new products and services in the company website or brochures. Apart from that, language barrier was another difficulty in marketing communication. 10% of the participants said that language barrier was one of the difficulties for marketing communication practices. This participating SME explained that its staff were not good at English, and this can create a negative impact on customer confidence when promoting products and services, particularly direct sales due to the fact that the majority of clients are international tourists.

In summary, the main difficulties which impede the marketing communication practices of SMEs in the Lao tourism sector are a lack of human resources, limited financial resources and limited marketing experience/knowledge. In addition, the finding also found some relevant issues which
could affect the marketing communication activities, for example, the limited awareness of Lao tourism in the international market, supplier impact, price competition and language barrier.

Figure 4.9: Relevant difficulties in implementing marketing communication by the SME participants (n=10)

4.2.2 The Survey Instrument results from the participating tourists

The result of the survey instrument was analysed from the answers of 100 participating tourists. The 100 questionnaires were distributed to the participants, who were international tourists in Laos. The data of the survey instrument was analysed by the Statistical Package for the Social Sciences software (SPSS). The purpose of conducting the survey was to investigate what were the most practical tools of IMC which influence consumers’ buying decisions. In addition, the study had the aim to examine some factors and preferences of consumers regarding marketing communication in order to gain additional information for generating some potential marketing communication strategies for Lao SMEs in the tourism sector. By examining these issues, the third objective of the research can be accomplished, and there are solutions to sub-question (5) and (6).
The survey data was organised and grouped into four sections based on the questions which supported the research questions and aims as follows:

1.) Demographic data
2.) Data on consumer’s buying decisions
3.) Data on marketing communication
4.) Data on brand equity

4.2.2.1  Demographic data

This section provides general data about the respondents who participated in the survey instrument. The data is separated into three groups, namely genders, age groups and occupations.

4.2.2.1.1  Genders of the respondents

The total respondents for the survey instrument was 100 international tourists who travelled to Laos. 51% of the respondents were female (51 tourists) while the male participants made up of 49% or 49 males as presented in the pie chart below.

Figure 4.10: Genders of the respondents (n=100)
4.2.2.1.2 Age groups of the respondents

The figure below shows that nearly half of the respondents were between the age of 26-35, and this age-group accounted for 46% of the overall respondents. 23% and 19% of the participants were between the age of 36-45 and 18-25 while the participants who were over 56 years-old made up of 4% of the overall respondents.

![Figure 4.11: Age groups of the respondents (n=100)](image)

4.2.2.1.3 Occupation of the respondents

According to the bar chart below, it is noticeable that the majority of the participants were company staff, and this group accounted for 37% of the total respondents or 37 people. Self-employed entrepreneurs, student and public staff made up of 26%, 18% and 16% of the overall participants respectively while 3% of the respondents were retired personnel.
### 4.2.2.2 Data on consumers’ buying decisions

This section presents the information about the opinions of the respondents regarding some factors and marketing communication tools which influence their buying decisions. The data is classified in sub-sections as follow:

#### 4.2.2.2.1 Factors which the respondents consider when making buying decisions

According to the chart, it is clearly seen that the most important factors which consumers consider when making buying decision were unique experiences and reviews and recommendation by travel websites. 52% and 51% of the overall respondents mentioned that they highly considered these factors in their purchase decisions while the consideration of these factors in their buying decisions were very high by 25% and 11% of the respondents. Other factors which the participants highly considered were a variety of programmes and facilitation of effective external communication channels. These two factors accounted for 48% and 44%. Pricing was another factor which should be taken into account. 37% of the respondents mentioned that price was very important factor when they decide to buy products and services.

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**Figure 4.12:** Occupations of the respondents (n=100)
4.2.2.2 Dimensions of service quality which influence the buying decisions of the respondents

When asking about the quality of service that influence the respondents’ buying decisions, the figure below illustrates that responsiveness was the major dimension which influenced the respondents. The influence of responsiveness was very high among 37% of the respondents while 40% of the participating tourists determined responsiveness as the dimension of the service quality that highly influenced them when making purchase decisions. Reliability was ranked as the second highest dimension which influenced the respondents. 27% of the respondents accepted that the influence of organisational reliability was very high when they decided to buy products and services while 43% of them accepted that this dimension highly affected their purchase decisions. Assurance and tangibles were other dimensions which were taken into account. 22% of the respondents mentioned that the influence of assurance in their buying decisions was very high while 40% were highly influenced by this dimension. Tangibles were accepted by 44% of the participants as another factor which highly influenced buying decisions.

Figure 4.13: Factors that the respondents considered when making buying decision (n=100)
4.2.2.2.3 Tools of IMC which influenced the respondents when making buying decisions

The bar chart below shows that sales promotion was the most influential marketing communication tool which encouraged the respondents to make a purchase. Almost 50% of the overall respondents rated sales promotions as the marketing tool that highly affected their buying decisions while the influence of this marketing tool was very high among 13% of the respondents. Advertising was another important marketing communication tool which had an effect on purchase decision among respondents. Over 40% of the participants accepted that the influence of advertising was very high in their purchase decisions. Besides, direct marketing, personal selling and marketing public relations also played a part in the respondents’ considerations when they make buying decisions. These marketing tools were rated as high influential marketing tools by 35%, 34% and 28% of the respondents respectively.

Figure 4.14: Dimensions of service quality that influence the respondents’ buying decisions (n=100)
**Figure 4.15:** IMC tools which influence the respondents when making buying decisions (n=100)

### 4.2.2.3 Data on Marketing Communication

This section provides the survey result about the preferences and viewpoints of the respondents on marketing communication. The data is divided into sub topics as follows:

#### 4.2.2.3.1 The respondents’ preferred means for marketing communication

The figure below shows that word-of-mouth marketing was the communication channel which the respondents preferred the most. 39% of the respondents stated that their preference towards word-of-mouth were very high, while nearly half of the respondents mentioned that their preference towards word of mouth were high. Travel magazines was the second preferred communication channel behinds word-of-mouth marketing. 28% of the respondents rated travel magazines as their highest preferred marketing communication channel while 34% highly favoured this channel. Newsletters was another preferred option. 41% of the respondents highly favoured this marketing communication channel, and 17% of them stated that their preferences of this channel was very high. Apart from that, social media channel and advertising websites were other significant
communication channels in marketing. 19% of the respondents mentioned that their preference towards social media was very high, and 36% said that their preferences towards this communication channel was high. The preference of website advertising was also very high among 24% of the respondents and 29% highly favoured this communication channel.

![Preferred means for marketing communication by the respondents (n=100)](image)

**Figure 4.16**: Preferred means for marketing communication by the respondents (n=100)

### 4.2.2.3.2 Consumers’ attitudes regarding Marketing Communication

This sub-section was established in order to gain an insight into the perspectives of the respondents towards marketing communication activities. The participants were asked to provide their opinions based on the following four statements:
**Statement 1:** Consistent messages make consumers consider products and services.

Out of 100 respondents, 58% of the participants agreed that receiving consistent messages about the products and services of tourism service suppliers could increase their consideration about products and services of companies. 26% of the respondents had no opinion regarding this statement while 15% of them disagreed with the statement.

![Bar chart showing opinions](chart.png)

**Figure 4.17:** The opinions of the respondents about the influence of consistent messages on product and service consideration (n=100)

**Statement 2:** Preferred communication channels make consumers more interested in particular products and services.

The bar chart below illustrates that 32% of the participants agreed that their preferred communication channels made them more interested in certain products and services while 45% of the respondents had no opinion and 18% of the participants disagreed with the statement.
Figure 4.18: The opinions of the respondents about preferred communication channels which could increase the level of interest in products and services (n=100)

Statement 3: Preferred promotion tools increase the tendency of consumers to try particular services and products

Figure 4.19: The opinion of the respondents about their preferred promotion tools which can increase the likelihood of consumers to try particular products and services (n=100)
The bar chart above demonstrates that 43% of the overall respondents agreed with the statement that their preferred promotion tools stimulated them to try particular products and services while 39% of the respondents had no opinion, and 15% of the respondents said that they disagreed with the statement.

**Statement 4:** Attractive messages make consumers more interested in certain products and services.

The figure below shows that over half of the participants agreed that attractive messages made certain products and services more interesting. 55% of the participants agreed while 11% strongly agreed with the statement. However, 11% of the respondents said that attractive messages have no effect on their interest in products and services, and 23% have no opinion on the statement.

**Figure 4.20:** The opinion of the respondents about attractive messages which may increase consumers’ interest in products and services (n=100)
4.2.2.4 Data on Brand Equity

This section provides the results of data about the level of brand awareness/recognition and familiarity/knowledge. The participants were asked to give their opinion on how well they recognise and are familiar with company brands when receiving consistent advertising messages from companies.

4.2.2.4.1 Brand awareness (recognition)

The chart below illustrates the level of brand awareness/recognition of the respondents when they receive consistent messages from tourism suppliers. The figure shows that brand awareness/recognition of the respondents could be affected through conveying consistent messages from companies. According to the data, the brand awareness of 38% of the respondents was very high when they receive consistent messages, while 38% moderately recognised company brands. Only 15% of the participants mentioned that their brand awareness was slightly high while 7% said that consistent messages of companies had no effect on their brand recognition.

![Chart showing level of brand awareness/recognition of respondents](chart.png)

**Figure 4.21:** Level of brand awareness/recognition of the respondents when receiving consistent messages from tourism suppliers (n=10)
4.2.2.4.2 Brand familiarity (knowledge)

The figure below shows the level of brand familiarity/knowledge of the respondents when receiving consistent messages from tourism suppliers. The bar chart illustrates that 42% of the total respondents were fairly familiar with companies when they received consistent messages from them. 37% of the participants were very familiar with company brands through consistent messages while 14% mentioned that they were slightly familiar with companies. Only 6% of the respondents mention that receiving consistent messages did not have any influence on their familiarity/knowledge towards company brands.

![Bar Chart: Levels of Brand Familiarity](image)

**Figure 4.22**: Levels of brand familiarity/knowledge of the respondents when receiving consistent messages from tourism suppliers (n=100)

4.3 Conclusion

In conclusion, the participating SMEs did not understand the concept of Integrated Marketing Communication. The majority of SMEs in the Lao tourism sector promoted their businesses through traditional mass media and they did not effectively utilise non-traditional mass media such as social media for promoting businesses. Based on the data analysis, the data revealed that
marketing communication affected consumers in terms of making purchase decisions and being familiar with company brands. Besides, consumers preferred different kinds of communication channels and they were influenced by different kinds of marketing communication tools. Therefore, SMEs in the Lao tourism sector should improve their marketing knowledge and adjust their marketing communication practices in order to promote their businesses effectively.

4.4 Chapter summary

In this chapter, the results of the data, both the semi-structured interviews and the survey instrument collected from the ten SMEs and 100 international tourists were described. The findings were grouped and summarised in accordance with the research objectives and sub-questions as follows:

- **An understanding of the term “IMC”:** the majority of SME participants were not aware and did not understand the concept of IMC. However, in their marketing practices, the participating SMEs deployed different marketing communication tools to promote their products and services, but they could not understand the concept of IMC.

- **The importance of IMC in businesses in the tourism sector:** IMC was viewed and valued as an important strategic marketing communication approach by the SME participants. The majority of the SME participants stated that applying a variety of marketing communication tools could contribute to their businesses in terms of both financial and non-physical benefits. It gave them more opportunities to get access to their clients and make their brands more recognisable in the marketplace.

- **Marketing communication practices by SMEs:** The majority of the participating SMEs employed a variety of marketing communication tools to promote their businesses. When gaining an insight into the marketing communication process, the research study found that the SMEs paid attention to identifying appropriate audiences when they promoted their businesses. However, they still paid inadequate attention to identifying the factors that persuade consumers to be interested in their products, services and brands. The data also indicated that the participants identified their brand positions in the market. However, their
brand positions were quite similar. The main objectives of the SME participants in implementing marketing communication were presenting and making their companies well-known in the marketplace. In addition, the data found that traditional advertising was a fundamental marketing communication option, which the SME participants utilized, while online marketing tools were only used by some enterprises.

- **The relevant difficulties in implementing IMC:** The main difficulties, which the SME participants faced, were a lack of human resources, limited financial resources and limited marketing experience/skills. The research found that suppliers, price competition, language barrier and the fame of Laos in the international tourism market were other challenges which impeded marketing communication practices in SMEs in the tourism sector.

- **IMC on buying decisions and company brands:** The findings revealed that the most important factors which consumers considered when making buying decision were unique experiences as well as reviews and recommendations by travel websites. Responsiveness was another key dimension of service quality which the respondents considered before deciding to buy products and services from tourism suppliers. In addition, it was found that sales promotions was the most influential marketing communication tool which played a part in consumers’ buying decisions. Advertising was the second most influential marketing tool. The most preferred marketing communication channel that consumers favored to gain information was word-of-mouth, followed by travel magazines and newsletters. In addition, the findings also revealed that the respondents tended to recognise brands and were fairly familiar with certain company brands when receiving consistent messages from tourism suppliers.

The next chapter covers the discussion of the findings.
Chapter Five: Discussion of the Findings

5.1 Introduction

In this chapter, the findings, which were presented in Chapter Four, are interpreted in the form of a discussion. The findings from the interview and survey instruments are discussed in order to answer the research objectives and research questions mentioned in Chapter One. Furthermore, the results from the discussion in this chapter are used as standpoints to generate potential marketing communication strategies and provide some recommendations for SMEs in the Lao tourism sector to promote their businesses effectively.

The discussion of the findings are separated into two main sections, namely the discussion of the semi-structured interview and the survey instrument. Each section is discussed based on the research objectives and questions. Apart from that, the researcher gained insight into some relevant factors in order to accumulate useful information for proposing some potential marketing communication strategies for SMEs in the Lao tourism sector.

5.2 Discussion of the Semi-Structured Interview

The data gathered and analysed in the previous chapter “Empirical Findings” are discussed in detail in this chapter. According to the research objectives, the discussion of the interviews is separated into two main sections and are followed by sub-sections below:

5.2.1 The awareness and perspectives of the SME participants on the importance of IMC

5.2.1.1 The awareness and understanding of IMC

This question aimed to collect data on the understanding of the concept of Integrated Marketing Communication (IMC) from the participating SMEs in the Lao tourism sector. From the interviews, the research found that 90% of the SMEs participants were not aware of IMC. Two-thirds of the participants (70%) mentioned that they were not sure about the concept of IMC and...
never heard this concept before while 20% of the SMEs participants said that they were aware of the concept of IMC, but they could not explain and give its definition. However, when the researcher explained the concept of IMC to participants, they could understand the concept clearly. They also claimed that this concept would be similar to what they practiced in their businesses since they used different kinds of promotions and affordable communication channels to promote their products and services.

As noted above, this could justify the statement that SMEs in the Lao tourism sector were unfamiliar with the concept of IMC (see Figure 4.1). Therefore, this finding could reveal that the concept of the marketing communication is still not widely known and unfamiliar to some entrepreneurs in some countries, particularly Asian and Middle Eastern countries (Temporal, 2010). However, this finding also showed that the concept of IMC could be improved and employed by SMEs since they used several marketing tools in their business promotions without knowing what IMC meant to them. Therefore, this finding could support the statement of Gabrielli and Balboni (2010) who state that the concept of IMC is an applicable marketing communication, which does not merely fit with large business, but it is also practical for small enterprises.

5.2.1.2 The importance of IMC in businesses

The finding indicated that the viewpoints of the participating SMEs about the importance of IMC in their businesses were positive. According to the data in Figure 4.2, the majority of the participants accepted that IMC was important and necessary for their businesses since it provided more communication opportunities to gain access to their customers and target audiences. Some participants added that advanced technology altered communication methods and business promotions, so it was necessary for companies to know how to capitalise on technology in order to support their business communication and publicise their company names in the marketplace. This view is in accordance with the suggestion of Kotler et al. (2005) who postulate that the change of technology creates more communication choices to reach consumers, so it is important for companies to shift from traditional marketing communication models and utilise marketing communication options effectively. Some participants recognised IMC as a strategic approach which could support company names and reputation. They said that presenting companies, products and services through several communication channels and activities could create a
positive impact on brand recognition. Madhavaram et al. (2005) regard IMC as an essential part of an effective brand strategy since it can increase the effectiveness of brand portfolio and it has a positive influence on brand equity.

Even though IMC was considered as a crucial approach for business by the majority of the SME participants, 10% of the participants had a negative view towards IMC. This participant explained that using a number of marketing communication tools was not important for the company since it just wasted time and increased expenditure without any benefit for this investment. This is because SMEs rarely adapt their marketing strategies and operations in accordance with changing situations and the business environment so that ineffective advertising and non-usage of other promotional tools might not support businesses efficiently (Gundala & Khawaja, 2014).

5.2.2 The current marketing communication practices and relevant difficulties which SMEs faced

5.2.2.1 The current marketing communication practiced by SMEs

- **How SMEs present their businesses:** When the researcher gained insight into the current marketing communication practices of the participating SMEs, it is found that the participants utilised a variety of marketing communication tools to promote their products and services (see Figure 4.3). This means IMC can be adjusted and applicable in small and medium-sized businesses (Gabrielli & Balboni, 2010). It is a useful strategic approach which is not merely necessary for big corporations but also important for small businesses (Fill & Jamieson, 2011). Therefore, SMEs should integrate IMC in their businesses since it is a strategic approach that enables enterprises to engage with customers and present their brands, products and services in the marketplace (Fill & Jamieson, 2011).

- **Establishing marketing communication plans:** It is found that overall participating SMEs created marketing communication plans prepared by SME owners/managers before launching their marketing activities. 80% of the SMEs participants said that marketing plans were created by the owners or managers of companies while 20% of the participants established marketing departments to manage marketing activities. Therefore, it can be concluded that SMEs in the Lao tourism sector have marketing plans for their marketing activities. This
finding contrasts with the statement of Mpofu and Chigwede (2013) that SMEs do not have marketing plans due to a lack of human, financial resources and marketing knowledge. However, the marketing plans of SMEs might not be well-structured and only effective to some extent since marketing in SMEs is likely to be characterised by ineffective business operations, for example, poor job design and organisational structure as well as a lack of effective planning and management (Gilmore et al, 2001).

➢ **Identifying target audiences:** According to the data presented in **Figure 4.4**, it is clearly seen that the SME participants paid attention to identifying who were target audience for their marketing communication. 90% of the participants mentioned that it was the most important activity for their businesses to define target consumers because audiences had different characteristics and natures. This opinion is in accordance with the suggestions from Graham (2013); Ray and Chakraborty (2014) who point out that it is vital for companies to identify audiences that they will promote and sell products or services to. The authors also suggest that firms have to identify their target audiences and the characteristics of consumers in order to increase the effectiveness of marketing.

➢ **Understanding factors that influence consumers’ buying decisions:** The result showed in **Figure 4.5** demonstrated that the SME participants were unaware of the factors which influenced consumers’ buying decisions. Based on the finding, 60% of the participants could identify the factors that influenced consumers to become interested in their products and services while the rest of the participants did not consider this aspect when outlining marketing communication plans. Therefore, this might decrease the effectiveness of marketing communication in SMEs because when firms understand consumers’ preferences, they could design proper marketing communication practices which suit consumers (Lamb et al., 2012). To support this, Rani (2014) suggests that identifying and understanding potential factors that influence consumers can provide more opportunities for companies to develop their marketing strategies and advertising campaigns to be more efficient and in line with their target audiences, so that their companies could better meet the needs of their consumers and increase profitability.
Identifying brand position: According to the data in Figure 4.6, the majority of the interview participants could identify their brand positions in the marketplace. However, their brand positions were similar to one another, and the similarity of brand positions in SMEs might result from a lack of clear positions for their products, services and brands in the marketplace, so SMEs tend to have similar brand positions and have no clear brand distinctions from their competitors (Opoku, 2006). In consequence, this could create a difficulty for SMEs to be outstanding in the marketplace since positioning brands effectively could help SMEs to establish their brands in consumers’ minds and make them be more recognisable in the marketplace (Hlatshwayo, 2015).

Marketing communication objectives: The findings showed that advertising in the marketplace was the goal of implementing marketing communication among the majority of participating SMEs. 70% of the interviewees explained that they deployed marketing communication activities with the purpose of promoting their company names to be more recognisable in the market (see Figure 4.7). This could show that marketing communication is valued by SMEs as a strategic tool which represent their businesses in the marketplace. This view is in accordance with Kotler and Keller (2012) who explain that marketing communication is an effective tool which companies deploy in their businesses in order to inform, persuade and remind customers about their services, products and brands in marketplace. Furthermore, marketing communication give opportunities for enterprises to make an impression and create goodwill among groups of consumers as well as supporting their businesses to be different from competitors in the marketplace (Dwyer, 2009; Fill, 2013).

Communication channels: It can be seen that the majority of marketing communication channels were heavily based on traditional media in which travel magazines, brochures and company websites were used significantly by the SME participants (see Figure 4.8). The findings also reveal that an internet-based communication pattern such as social media were not widely used by the participants. Over two-thirds of the participants (70%) said that they did not adopt social media in their marketing communication activities. They further explained that it was unimportant for their businesses, and it was time-consuming. This shows that SMEs rarely adapt their marketing strategies and operations in accordance with the changes in business environment (Gundala & Khawaja, 2014). As a result, this might limit their access
to a wide range of consumers because social media provides companies with more opportunities to communicate with a large group of consumers simultaneously (Taneja & Toombs, 2014). Niesche (2014) recommends that companies need to have a solution to apply some kinds of social media and online presence in their businesses because social media has been highly used, and it is an online site where consumers are.

5.2.2.2 The relevant difficulties confronted by SMEs

Looking at the result in Figure 4.9, it is clear that a lack of human resources, marketing budgets and marketing experience were the main difficulties that the participating SMEs faced when implementing marketing communication. 70% of the participants said that companies did not have marketing officers to design marketing communication plans and manage marketing activities. They further mentioned that limited budgets and marketing experience were other constraints in their marketing communication. These difficulties are in line with the statement of Luxton et al. (2002) who point out that SMEs face a number of obstacles when implementing marketing communication due to limited marketing budgets, a lack of time and marketing skills. Chaston and Mangles (2002) also identify major difficulties that impede marketing implementation in small businesses such as a lack of finance and marketing professionals as well as poor marketing strategies.

Another relevant difficulties, which this research study found, was related to government support. 60% of the participating SMEs expressed that it was not easy for them to promote their companies to be well-known in the international market since Laos is still not famous for tourist destinations in other countries. Therefore, it is recommended that there is a need for the cooperation and support from the Lao government in the international marketing. Poria and Oppewa (cited in Information Resource Management Association, 2015) suggest that governments have important roles in promoting the attractiveness of countries, tourist destinations, and increasing the awareness of tourists in other countries. In addition, Information Resources Management Association (2015) recommends governments to focus on formulating effective tourism marketing strategies and applying modern marketing approaches, such as online presence, to promote their countries as tourist destinations.
Apart from that, suppliers were one of the constraints that SMEs in the Lao tourism sector confronted. 30% of the participants explained that suppliers affected their marketing since some of their products and services depended on suppliers, such as air and ground transportation, so their suppliers can have an impact on prices, product and service availability. There is no doubt that suppliers are a factor which influences business due to the fact that every business fully or partially relies on suppliers or outsourcing (Socrates Media, 2006). Doyle (2010) also points out that suppliers have an influence on the profitability of businesses by increasing prices or decreasing the quality and quantity of products and services.

The language was another relevant difficulty mentioned by the participants. 10% of the participating SMEs explained that its employees were not good at foreign languages, and this could decrease the confidence of clients since the majority of tourists in Laos were international tourists. This issue is identified by Evans (2012) who claims that language can be a barrier that impedes SMEs from communicating with international audiences. Gillespie and Hennessey (2016) explain that international marketing communication is heavily affected by foreign languages since advertising has to be modified to the business communication language, which can create some difficulties in communication, especially personal contacts. This issue could be more critical in service business, specifically in intercultural services (Kim & Mattila, 2011).

In addition, the research found that price competition was a relevant issue which SMEs confront in their marketing communication practices. 10% of the SMEs participants said that its company faced a price battle from their competitors when launching new products and services. This issue can happen with any business because products and services are quickly pulled into price comparison battles, and competitors imitate the products and services which are popular in the market. As a result, price battles and copycat competitors are unavoidable issues in business (Plantes & Finfrock, 2009).

5.3 Discussion of the Survey Instrument

To gain a deeper understanding of marketing communication, the viewpoints of tourist consumers related to marketing communication are essential for this research study to some degree. This is because the information from the tourist consumers enable the researcher to identify some potential
marketing communication strategies for SMEs in the Lao tourism sector. Similarly to the previous chapter, the survey findings are discussed and separated into sub-sections below:

5.3.1 Demographic data

All respondents selected for the survey instrument were international tourists who travelled in Laos. The respondents included 100 tourist which male tourists accounted for 49% and female tourists made up of 51% (see Figure 4.10). Reviewing the result in Figure 4.11, over two-thirds of the participants were classified as below-middle age while the participants who were in the middle-age accounted for 31% of the overall respondents. Half of the respondents were employed by companies and public sectors while the rest of the respondents were self-employed, students and retired worker as presented in Figure 4.12.

5.3.2 Data on consumers’ buying decisions

5.3.2.1 Factors that consumers consider in their buying decisions

To identify some potential marketing communication strategies for SMEs in the tourism sector in Laos, it is beneficial for the research study to gain additional information about the factors that the respondents might take into account when deciding to buy products and services from tourism suppliers. Lamb et al. (2012) suggest that it is necessary for companies to understand product and service preferences of potential consumers in order to create effective marketing communication practices to reach their target audiences. Moreover, Rani (2014) claims that companies can have more opportunities to develop their marketing strategies and advertising campaigns to become more effective and suitable for their target audiences by identifying and understanding possible factors which influence them, so that companies could better meet the need of their consumers and increase profitability.

Based on the findings, the major factors which the majority of respondents considered before making buying decisions were unique travelling experiences and reviews and recommendations by travel websites. Providing a variety of programmes was another factor that the respondents considered when they decided to choose tourism suppliers. Facilitating effective external
communication channels was one of the factors which the majority of the respondents took into account before making a purchase (see Figure 4.13).

5.3.2.2 Dimensions of service quality which consumers consider in buying decisions

According to the aim of identifying some potential marketing communication strategies for SMEs in the tourism sector, it is necessary for this research study to investigate the dimensions of service quality that tourist consumers take into account in their purchase decisions to some extent. Since service quality is considered as an important aspect in leisure service agencies including tourism and travel-related services such as travel agencies, restaurants and hotels (Wylie, 2000). The study conducted by Ababneh (2013) shows that service quality has a great influence on tourist satisfaction and creates positive relationships between tourists and businesses in the tourism industry. To support this, Nair (2016) mentions that service quality is connected to business performance, particularly in the service sector such as tourism, hospitality, and insurance. Saling, Modding, Semmaila and Gani (2016) also point out that the quality of service affects the buying decisions of tourists positively and directly. This is because the hospitality and the tourism sectors are heavily related to services, so high quality service can influence tourists to choose particular services over their competitors (Saling et al., 2016).

The majority of the respondents considered responsiveness as the most important factor among all dimensions of service quality in their purchase decisions. Other dimensions of service quality, which the survey participants considered were reliability, assurance and tangible of tourism suppliers as presented in Figure 4.14.

5.3.2.3 IMC tools which influence on consumers’ buying decisions

When asking the respondents to gauge marketing communication tools, which have an influence on their buying decisions, the findings show that the respondents were influenced by different marketing communication tools. The data in Figure 4.15 demonstrated that marketing communication tools, namely advertising, directing marketing, sales promotions, personal selling, and marketing public relations had an impact on the respondents’ buying decisions to some degree.
Based on the findings, sales promotions and advertising were rated as the most influential among all options of IMC tools while direct marketing, personal selling and marketing public relations were other influential marketing communication tools which affected the respondents’ purchase decisions respectively. This finding could support the statement of Peter and Donelly (2010) who suggest that activities of Integrated Marketing Communication (IMC), namely advertising, sales promotions, public relations, direct marketing and personal selling can have an effect on the psychology of consumers when they decide to buy products and services. Furthermore, Kumar and Raju (2013) postulate that consumers’ buying decisions can be influenced by emotions and rationality, which can be motivated through communication messages. Consequently, it is possible to recommend that integrating IMC tools into promotions could create more advantages for business since the availability of information becomes a part of the buying behavior processes, and it has an influence on consumers when they make a purchase (Ruzzier et al., 2013). Therefore, deploying IMC in businesses, for example by conveying messages and using a variety of communication tools to communicate with consumers can give more opportunities for companies to increase the values of their products and service (Mihaela, 2015).

5.3.3 Data on marketing communication

5.3.3.1 Consumers’ preferred marketing communication channels

When investigating preferred marketing communication channels among groups of the respondents, the finding revealed that the respondents preferred to search for information about products and services from a certain tourism supplier more than one channel. Based on the findings, word of mouth was rated as the most preferred communication channel by the respondents while travel newsletters, travel magazines, advertising websites, and media channels were other communication channels that the respondents preferred respectively (see Figure 4.16). This suggests that SMEs could increase their effectiveness of marketing communication by adapting and applying a variety of communication channels in their businesses. To support this view, Warran (2016) mentions that the change in technology and consumer behaviour results in the need for improvements in marketing communication. This phenomenon requires companies to increase their marketing communication options and apply several communication channels coherently to get access to audiences (Keller, 2001; Kotler et al., 2005). Therefore, marketing
communication should be more effective and practical by applying a number of promotions rather than using simple promotions and traditional advertising since every interaction between a firm and consumers is related to marketing communication (Percy, 2008).

5.3.3.2 Consumers’ attitudes towards marketing communication

To understand whether marketing communication could make differences in consumers’ attitudes, the set of statements was formulated with the aim of investigating the opinions of the respondents as follows:

- **Consistent messages and product/service consideration:** According to the result shown in Figure 4.17, over half of the respondents agreed with the statement that consistent messages could persuade them to consider the products and services of a tourism supplier. This finding could support the statement of Mihaela (2015) that the images of products, services or brands in consumers’ minds are not the consequences of consumers’ experience only, but it is partially influenced by medium and long-term effects which consistent messages create through a variety of communication tools.

- **Preferred marketing channels and interests in products and services:** Based on the result of Figure 4.18, it revealed that promoting products and services through the respondents’ preferred communication channels could stimulate them to be more interested in products and services of a tourism supplier to some degree. Therefore, it could be recommended that identifying preferred communication channels of target audiences could support marketing communication. Saungweme (n.d.) recommends that the new trend of multi-channel service, where consumers prefer to use their chosen communication channels to interact with companies, results in the need for understanding the consumers’ communication channel preferences and providing appropriate communication services for consumers. Therefore, enterprises should understand their consumers’ communication preferences and opt for technology ecosystems that support business agility and flexibility to meet their communication channel demands (Leggett, 2013).
Preferred promotion tools and the likelihood of product and service sampling: This question was asked about the relationship between the preferred promotion tools and the possibilities for consumers to try products and service. Figure 4.19 showed that the preferred promotion tools of the respondents can increase the likelihood that they would try products and services with a tourism supplier. This finding could support the result of Figure 4.15 which indicated that IMC tools could influence the respondents in terms of making decisions to buy the products and use the services of a company. In addition, the result of Figure 4.16 demonstrated that multiple communication channels were required by the participants. Consequently, it could suggest that applying IMC in businesses would be advantageous to SMEs in the tourism sector. As Morrison (2013); Wang and Pizam (2011) suggest, destination marketing requires a variety of communication types to transmit consistent messages to target audiences with the aim of motivating audiences and establishing a certain brand image and brand identity in a target market. Therefore, IMC is a practical approach for businesses in the tourism sector since IMC is about influencing consumer purchase behaviour by integrating a variety of communication channels and marketing tools to convey consistent messages to consumers (Chitty et al., 2014).

Attractive messages and interest of products and services: The data in Figure 4.20 showed that an attractive message could motivate the respondents to be more interested in products and services of a tourism supplier. In accordance with the result of Figure 4.17, a consistent message affected consumers in terms of product and service consideration. Consequently, this could suggest that IMC is useful for a tourism business. This is because promoting tourist attractions, services or products require transmitting attractive messages to a wide range of tourists to inspire and persuade them to visit (Blain et al., 2005). Therefore, IMC could support this activity since IMC is about influencing the buying behaviour of targeted audiences by using a variety of communication channels. It also enables companies to send consistent and persuasive messages through a number of marketing communication tools and channels in order to stimulate consumers to become interested in products, services and brands (Shimp, 2010; Yeboah, 2013).
5.3.4 Data on Brand Equity

5.3.4.1 Consistent messages affect brand awareness/recognition and brand familiarity/knowledge

When investigating the opinions of the participants about the impact of consistent messages on brand awareness/recognition and brand familiarity/knowledge, the result shown in Figure 4.21 and Figure 4.22 illustrated that transmitting consistent messages could affect the level of awareness/recognition and familiarity/knowledge among the group of the respondents to some degree. Therefore, it could recommend that SMEs should take IMC into an account in their business promotions since IMC can assist small and medium businesses to send a set of consistent messages through a number of media channels, both offline and online channels, and it also could help SMEs to reduce the costs for marketing activities (Copley, 2014). Keller (2009) and Gabrielli and Balboni (2010) suggest that IMC provides companies with opportunities to combine and match several communication tools to gain access to their audiences in order to establish a brand image and increase brand familiarity among consumers. Percy (2014) also claims that the primary job of IMC is to establish a connection between a brand and needs in consumers’ minds which means that when consumers are kept reminded of a certain brand and consumers’ needs occur, then it is followed by an increase in brand awareness. Consequently, deploying IMC in business promotion could help SMEs to support their brand equity among groups of consumers.

5.4 Proposed marketing communication planning process for SMEs in the Lao tourism sector

Based on the discussions of the findings, some potential marketing communication strategies were identified and used for proposing a conceptual model of marketing communication planning processes for SMEs in the tourism sector in Laos as follows:
Figure 5.1: A conceptual model of marketing communication planning process for SMEs in the Lao tourism sector: Developed by the author and adapted from Percy (2008)
5.4.1 Set up marketing communication objectives

Before starting outline strategic plans in detail, it is important for SMEs to identify clearly what are the objectives of their marketing communication activities. It is suggested as the first step of their marketing communication planning process. This is because an objective is the central element of the planning process as it crafts frameworks and provides direction for marketing communication as well as enabling a firm to choose appropriate communication tools for their marketing communication (Dahlen, Lange & Smith, 2010, Yeshin, 2007). In addition, an objective has a significant influence on the effectiveness and achievement of marketing communication (Jerman & Zavrsnik, 2012). Therefore, it is important for companies to determine a clear, concise and measurable objective for communication (Yeshin, 2007).

5.4.2 Outline strategic plans

Once SMEs know what goals they need to achieve through their marketing communication, the next step is about establishing strategic marketing communication plans. Strategic planning represents a process of management which facilitates a variety of functions in order to achieve objectives (Taghian & Shaw, 2005). To create a plan efficiently, SMEs in the tourism sector should pay attention to the following aspects and functions:

- The first step of outlining strategic marketing communication plans is identifying target audiences. Target audiences should be well defined because it helps SMEs to know who they would like to gain access to, as well as selling products and services to.

- After identifying the target audiences, understanding the buying decisions of the target audiences by considering possible factors that influence their purchase decisions is necessary. This is because identifying and understanding factors, which probably influence consumers, can give more chances for enterprises to develop practical marketing strategies and advertising campaigns to suit target audiences and their needs (Rani, 2014). According to the findings, providing unique experiences and online reviews were the main factors that the respondents considered before deciding to buy products and services from a tourism supplier. Service quality is another aspect that SMEs should take into account because
service quality has a great influence on tourist satisfaction, and it also has a positive relationship with businesses in the tourism industry (Ababneh, 2013). Based on the findings, responsiveness of a tourism supplier was the most important dimension of service quality that the respondents considered in their buying decisions. Therefore, it would be advantageous for SMEs in the Lao tourism sector to consider the aforementioned aspects when outlining their marketing communication strategic plans.

- Apart from understanding target audiences, using marketing communication activities to support brand positions should be taken into account since brand positioning could help SMEs to establish their brands in consumers’ minds and be very identified among groups of audiences (Hlatshwayo, 2015). Based on the findings, it was clearly noticeable that SMEs in the Lao tourism sector had similar brand positions. Therefore, SMEs should identify the unique selling points (USP) of their businesses and include their unique selling points in their communication to present their uniqueness or characteristics in order to make themselves different from business competitors (BigCommerce, 2016).

- The attractiveness of messages is another important point which should be focused on when creating marketing communication plans. According to the data in Figure 21, the finding revealed that attractive messages could increase the interest of consumers in products and services. Therefore, it is necessary for SMEs in the tourism sector to pay attention to the contents of messages. This is because attractive messages can support the profitability and achievement of business in the tourism industry (McCabe, 2012). Messages for marketing communication should be attractive, likable and believable, which should be transmitted through suitable communication channels (Saxena, 2009).

- The final step is selecting a media mix to convey consistent messages to target audiences. In this step, it would be useful for SMEs to understand preferences of their target audiences about communication channels and marketing tools when selecting media mix. This is because consumers prefer to use their chosen communication channels to interact with companies nowadays, so it is necessary for companies to understand their consumers’ communication channel preferences so that they can provide appropriate communication services to meet their consumers’ demands (Saungweme, n.d; Leggett, 2013). According to
the findings of the research study, word of mouth, travel magazines and newsletters were communication channels that were preferred by the respondents. Besides, internet-based communication channels like online media and social media were other communication options that the respondents preferred to obtain the information about the products and services of tourism suppliers. Therefore, it would be beneficial for SMEs to consider and focus on these aspects in their marketing communication plans. Moreover, it would be advantageous for SMEs to apply both traditional and non-traditional communication channels in their marketing communication since consumers prefer to be informed through a variety of communication channels. Non-traditional communication channels could give SMEs more chances to present themselves in the market with a low cost of advertising as well as increasing opportunities for themselves to be found by consumers who need to buy products and services (Niesche, 2014; Khattab et al., 2015).

5.5 Conclusion

In conclusion, it is found that SMEs in the Lao tourism sector valued the importance of marketing communication for their businesses. They employed different kinds of marketing tools to promote their businesses. However, they did not pay much attention to some important aspects in their marketing communication plans and practices. Therefore, SMEs should pay more attention to their strategic plans and adapt their strategies according to the change of business environment and consumers’ behaviour.

5.6 Chapter Summary

This chapter discussed the result of findings, both the semi-structured interview and the survey instrument that were presented in the previous chapter. According to the discussions, there was a lack of awareness and understanding of the concept of IMC among the participating SMEs. However, in their marketing practices, a variety of marketing communication tools were applied. The SMEs participants also had positive views regarding the importance of IMC in their marketing communication. Therefore, it can be concluded that that SMEs have potential to adopt and develop IMC to support their business promotions.
To increase the effectiveness of marketing communication, the participating SMEs still need improvements in their marketing communication strategies by paying more attention to some important aspects which could contribute to their marketing practices. Based on the findings, it is apparent that marketing communication has an influence on consumers in terms of product and service consideration, brand awareness/recognition and brand familiarity/knowledge to some degree. Therefore, it is necessary for SMEs in the tourism sector to use their communication efficiently and effectively to support businesses. In addition, a variety of communication channels, both traditional and non-traditional options, and promotion tools should be included in communication practices in order to create more opportunities for SMEs to influence and gain access to consumers. Finally, this chapter also proposed a conceptual model of the marketing communication planning process for SMEs with the expectation of providing a guideline for SMEs in the Lao tourism sector to create effective marketing communication plans.

The next chapter provides conclusions, recommendation and limitations of this research and future research opportunities.
Chapter Six: Conclusion and Recommendations

6.1 Introduction
In this chapter, the summary of the research study is presented. The chapter starts off by presenting a brief conclusion of the research study, followed by synthesising important points from the research findings and the discussions to generate the answers for the sub-questions of the research study. Through the syntheses of the answers for the sub-questions, the objectives of the research study are clarified and achieved. The chapter also provides recommendations and limitations of the research as well as suggesting some interesting points for future research. Finally, a conceptual framework of using IMC to support business promotions for SMEs in the Lao tourism sector was developed based on the findings and recommendations of the research study.

6.2 The conclusion of the research study
This research study was conducted with the aim at examining the concept of Integrated Marketing Communication (IMC) in small and medium-sized businesses in the tourism sector in Laos. The purpose of this research was to investigate how SMEs put marketing communication into practice at the present time and what were the challenges which they confronted in their marketing practices. In addition, the research study intended to propose some potential marketing communication strategies which could be used as a guideline for SMEs to increase the effectiveness of their marketing communication practices. In order to accomplish the purposes of the research, sub-questions were formulated as mentioned in chapter one.

To gain information to answers the research questions, the mixed method was selected as the approach for data collection. The semi-structured interview was chosen as the method to gather qualitative data while the survey instrument was used for gathering the quantitative data. The data was collected from ten participating SMEs in the Lao tourism sector, and 100 international tourists who travelled in Laos. According to the result of the findings and the discussions, the research study can draw a conclusion for the research objectives and generate answers to the sub-questions of the research study as follows:
6.2.1 Research objective one

To achieve the first objective “To examine how Lao SME business owners/managers understand the IMC concept and explore their perceptions regarding the importance of IMC in their businesses”. Sub-questions (1) and (2) below were formulated in order to collect information to generate answers to the first objective of the research study:

**Sub-question one: “What is the understanding of SME owners/managers regarding the concept of IMC?”**

Overall, the concept of Integrated Marketing Communication was not well-known by SMEs in the Lao tourism sector since the majority of the SMEs participants could not give the explanation about the concept of IMC. This finding is in accordance with the statement of Temporal (2011) who believes that the concept of the marketing communication is still new to some entrepreneurs in some countries, especially in Asia and Middle East. Even though SMEs in the Lao tourism sector were unfamiliar with the concept of IMC, SMEs in this business sector used different kinds of marketing communication tools to promote their businesses. The means that IMC can be utilised and adopted in the context of SMEs. Gabrielli and Balboni (2010) recognise IMC as an applicable marketing communication that does not merely fit with large businesses but it is also practical for small enterprises.

**Sub-question two: “What is the perspective of SME owners/managers towards the importance of IMC for their businesses?”**

Marketing communication is important for businesses as it is an approach which enterprises can implement to present their products, services and promote their brands to consumers (Yeshin, 2012). Kotler et.al (2005) suggest that the change of technology creates more choices and multiplication of ways to approach consumers, so it is important for companies to shift from the traditional marketing communication models and deal with an increase in marketing communication options effectively. This results in the need for the integration of communication channels and the integration of all messages to promote products and services, and these aspects become fundamental issues for firms (Keller, 2001). From the viewpoints of the SME participants, using IMC in businesses was necessary since it could increase opportunities for them to gain access
to their consumers and prospects. In addition, some participants stated that the changes of technology and consumer behaviour made the concept of IMC become more important for business promotions as they could promote their products and services by many methods.

In conclusion, it could justify that SMEs in the Lao tourism sector lack the awareness and understanding of the concept of IMC. However, in their practices, they applied a variety of marketing tools to support their business promotions. This means that SMEs practiced their marketing communication without the knowledge and awareness of the IMC concept. When asking about their perspectives towards the importance of IMC in their businesses, SMEs in the Lao tourism sector had positive views on the concept of IMC, and they accepted that IMC was necessary for their businesses. This suggests that SMEs have potentials to employ this concept to enhance in their marketing communication if they study the concept of IMC.

6.2.2. Research objective two

To answer the second research objective “To investigate how marketing communication is currently undertaken by SMEs in the Lao tourism sector and what relevant challenges they face”, sub-question (3) and (4) below were formed with the purpose of providing answers to the second objective:

Sub-question three: “How do SMEs in tourism sector in Laos promote their businesses in the market currently?”

According to the findings of the research, the majority of the SMEs participants utilised a variety of marketing tools and communication channels to promote their businesses. They established their marketing plans before launching marketing activities and campaigns, and their marketing plans were basically outlined by business owners/managers. Since marketing plans were created by SME owners/managers, this might make their strategic plans ineffective since limited market knowledge was one of the major constraints which created obstacles in their marketing implementation. According to Luxton et al (2002); Chaston and Mangles (2002), the main constraints of SMEs in marketing are limited marketing knowledge, poor marketing strategies, a lack of financial resources and human resources and time. These factors could result in less
effectiveness of marketing in SMEs as Gilmore et. al (2001) mention that marketing in SMEs tends to be disorganised, poorly structured, impulsive and haphazard.

Ineffective marketing of the participating SMEs could be noticeable through their marketing planning processes since they underestimated some important aspects which should be considered when creating plans and strategies for marketing communication. Almost half of the SME participants did not understand the factors which influence consumers’ buying decisions. This might reduce the effectiveness of marketing communication strategies because understanding factors that influence consumers can create more opportunities for companies to improve marketing strategies and create proper marketing communication practices to suit their target audiences (Rani, 2014; Lamb et.al, 2012). Besides, the SMEs participants positioned their brands without distinctiveness to their business competitors. This could decrease their competitiveness in the marketplace due to a lack of clear positions for products, services and brands as well as no clear brand distinctions (Opoku, 2006). Moreover, SMEs in the Lao tourism sector still heavily relied on traditional advertising, and there was minimal use of online marketing advertising such as social media in their marketing communication. Therefore, this practice might limit their possibilities to promote their brands, products and services to a wide range of consumers since social media give opportunities to enterprises to communicate with a large group of audiences (Taneja & Toombs, 2014).

**Sub-question four: “What are relevant difficulties for SMEs in tourism sector in Laos confront when applying marketing communication in their businesses?”**

Based on the findings, a lack of human resources, limited marketing budgets and marketing experience were the major constraints which SMEs in the tourism sector in Laos confronted when implementing marketing communication. These constraints are in line with the studies of many researchers such as Luxton et.al (2002), Abdulla (2015), Thrassou and Vrontis (2006), Mpofu and Chigwende (2013).

Apart from that, this research study also found other barriers that impede marketing communication practices of SMEs in the Lao tourism sector. Some of the SME participants claimed that they faced difficulties in promoting their companies in the international market since Laos was not well-known as a tourism destination in the global market. Suppliers were another
factor which hampered the marketing communication activities of SMEs due to the fact that some of their products and services were provided by suppliers. Therefore, suppliers have an influence on their profitability in terms of prices, quality and quantity of products and services (Doyle, 2010). In addition, language was another difficulty which affected marketing communication in SMEs since the majority of tourists in Laos were international tourists. This issue could be more critical in service business, especially in intercultural services (Kim & Mattila, 2011).

To sum up, SMEs in the Lao tourism sector deploy a variety of marketing tools and strategies in their marketing practices. SMEs outline strategic plans for their marketing communication activities. However, some of important aspects which supported marketing communication practices were underestimated and overlooked by SMEs. In addition, there was no distinctiveness in their brand positions and their marketing communication was still heavily relied on traditional advertising. The major constrains, which SMEs in the Lao tourism sector confronted, were a lack of human resources, limited financial resources and marketing experience. The reputation of Laos as the tourism destination also created more difficulties for SMEs in terms of promoting their businesses in the international market, while suppliers and language were other barriers which affected marketing communication practices of SMEs in the Lao tourism sector.

6.2.3 Research objective three

To achieve the third objective of the research study “To examine the influence of IMC on tourist consumers and investigate which components of IMC that are the most practical for Lao SMEs in the tourism sector”, sub-question (5) and (6) were formulated with the aim at gathering information to generate answers for this research objective.

Sub-question five: “How IMC plays a part in consumers’ buying decisions?”

According to the findings, all of the IMC tools, namely advertising, direct marketing, sales promotion, personal selling and marketing public relations had an influence on buying decisions of the respondents. Sales promotions and advertising were rated as the most influential marketing tools which affected the respondents when they made buying decisions. This finding is in line with the suggestion of Peter and Denelly (2010) who state that activities of IMC have an influence on the psychology of consumers when they make buying decisions. In addition, over half of the
respondents agreed that consistent messages could persuade them to consider products and services of a tourism supplier. Therefore, it can be concluded that IMC has an influence on consumers’ buying decisions since it helps firms to increase the value of their products and services by conveying consistent messages through a variety of marketing communication tools (Mihaela, 2015). IMC also plays a part in brand awareness/recognition and brand familiarity/knowledge among groups of consumers. The finding revealed that two-thirds of the respondents accepted that consistent messages could increase their recognition and familiarity of a certain brand. Therefore, IMC could help firms to establish brand images, increase brand awareness and brand familiarity among groups of audiences by transmitting consistent messages through an integration of marketing communication tools and channels (Keller, 2009; Gabrielli & Balboni, 2010; Percy, 2014).

Sub-question six: “Which tools of IMC are the most practical for the tourism businesses in Laos?”

Based on the findings, sales promotion was rated as the most influential among all components of IMC while advertising was the second influential marketing communication tools of IMC behind sales promotion, when the respondents made decisions to buy products and services from a tourism supplier. Direct marketing was another tool of IMC which influenced consumers’ buying decisions, followed by personal selling. Marketing public relations was the least influential among all tools of IMC, which affected the respondents, when deciding to purchase products and services.

In conclusion, IMC has an influence on consumers’ buying decisions. It can persuade consumers to consider products and services of a firm through consistent messages. IMC also contributes to brand equity by helping firms to increase brand awareness/recognition and brand familiarity/knowledge by transmitting consistent messages to audiences. All components/tools of IMC can affect consumers when making buying decisions in which sales promotions and advertising are the most influential among all components of IMC.
6.3 Recommendations

- Improving marketing skills and studying the concept of IMC: SMEs still have limited marketing knowledge/skills, so they exercise their marketing communication without an understanding of the marketing communication concept. This will make their marketing communication practices ineffective and obsolete. Therefore, to use IMC effectively to support business success, SMEs should develop their marketing knowledge and an understanding of the concept of IMC. Since SME entrepreneurs who have expertise in marketing can support their decision-making, their organisations are more likely to perform better than other firms in the marketplace, and the higher quality of marketing practices could contribute to better business performance (Caciolatti & Lee, 2015). Therefore, marketing knowledge is an imperative aspect which can contribute to effective marketing practices and better business performance.

- Paying attention to marketing communication plans: Even though SMEs in the Lao tourism sector outline plans for their marketing communication activities, they still need some improvements to their strategic plans. SMEs underestimate and overlook some important aspects which can help them to create comprehensive plans for their marketing. The key aspect is understanding target audiences’ buying decisions and their preferences of marketing communication channels and tools. By focusing on these points, it does not merely help firms to choose a practical media mix and opt for marketing communication tools which can support their marketing communication effectively but it also helps SMEs to spend their marketing budgets effectively on their marketing activities. To assist SMEs to create comprehensive marketing communication plans, the conceptual model of marketing communication planning process was suggested as a guideline for SMEs in the Lao tourism sector (see Figure 5).

- Using marketing communication to support brands: SMEs in the Lao tourism sector position their brands similarly in the marketplace. This could decrease their business competitiveness due to the fact that their brands represent the same stories with no distinction among competitors. So it would be advisable for SMEs to create the distinctiveness in their brands.
and use marketing communication to support their brands to be more outstanding in the marketplace.

- Including non-traditional media: To increase the effectiveness of marketing communication practices, it is necessary for SMEs to integrate non-traditional media in their marketing communication. Online marketing channels such as social media and travel websites should be capitalised on by SMEs since they gives more opportunities for firms to present their products and services as well as communicating with large groups of audiences (Taneja & Toombs, 2014). So it will be advantageous for SMEs in the Lao tourism sector to capitalise on online marketing channels and learn to use them effectively in their marketing communication.

- Communication messages: While IMC is suggested as a practical approach for SMEs in the tourism sector, it is necessary for SMEs to ensure that all messages, which they convey through several communication channels and marketing communication tools, are consistent. This is because consistent messages could persuade consumers to be interested in their products and services. It also could help firms to increase brand awareness and brand knowledge among groups of consumers (Ballester, Navarro & Sicilia, 2012). Therefore, SMEs should ensure that all communication messages are consistent and their marketing communication activities can convey consistent messages to audiences.

The following conceptual framework for using Integrated Marketing Communication (IMC) effectively for SMEs in the Lao tourism sector is proposed based on the conclusion and recommendation of the research study:
6.4 Contribution of this research study

The distinct value add of this research study is to assist SMEs in the Lao tourism sector to use their marketing communication effectively to support their business promotion. The results and suggestions of this research study could be useful information that could help small and medium enterprises to improve their marketing communication knowledge and increase the effectiveness of their marketing communication practices. This study also developed a conceptual model of the marketing communication planning process and a conceptual framework of using Integrated Marketing Communication for SMEs in the Lao tourism sector. These models and conceptual frameworks were formed to be guidelines for SMEs in the development of effective strategic marketing communication plans and effective use of marketing communication in their businesses.
Apart from the above, this research study contributes to marketing communication studies in the context of small and medium enterprises. This research investigates the understanding and perspectives of SME owners/managers towards the concept of Integrated Marketing Communication and marketing communication practices of SMEs in the Lao tourism sector. The research also examines the influence of marketing communication among groups of tourists. The findings of this research emphasised the importance and the need for Integrated Marketing Communication in tourism businesses since marketing communication practices have an influence on consumers’ buying decisions and contribute to brand equity. Furthermore, the result of this research fills the gap in the literature where it is silent in some areas of Integrated Marketing Communication, which is an applicable approach that SMEs can adapt and employ in their business promotions.

6.5 Limitations and Direction for Future Research

6.5.1 Limitations

This research study was framed to study the concept of Integrated Marketing Communication (IMC) in the context of SMEs, and it focused on a particular business sector, the Lao tourism sector. The research study gained insight into marketing communication of SMEs in the Lao tourism sector, and it examined the perspectives of a group of international tourists who travelled in Laos. Therefore, the findings of the study, namely some marketing communication strategies and recommendations which were proposed in this research study, might not be practical and suitable for SMEs in other business sectors due to the fact that each business has its own characteristics and nature.

6.5.2 Direction for future research

The findings of this research study provide the information for future research in the area of Integrated Marketing Communication in SMEs. To provide further insight into the concept of IMC in the tourism sector, future research should investigate the concept of IMC for SMEs in the particular type of tourism such as domestic tourism, inbound tourism and outbound tourism in order to create more practical marketing communication strategies for particular business types. In addition, it may be useful for future research to further investigate how SMEs in tourism could
use the concept of IMC effectively to support their international marketing. It would be interesting for future research to study the IMC concept for SMEs in other business sectors in order to examine whether the IMC guidelines proposed in this research study are adaptable and suitable for SMEs in other business sectors.

6.6 Closing statement

This research study significantly contributes to the marketing communication in the context of SMEs. The main purpose of this study focuses on investigating how SMEs perceive and understand the concept of Integrated Marketing Communication (IMC) towards their businesses. The research aimed to gain insight into marketing communication of SMEs in order to examine how SMEs undertake their marketing communication practices and what challenges that SMEs confront when implementing marketing communication in their businesses.

The research study suggests IMC as a practical approach for the tourism business. The findings of the research study clarify that IMC is necessary for SMEs in the tourism sector. Besides, SMEs have potential to improve and apply this concept into their businesses in order to increase the effectiveness of their marketing practices. To use IMC effectively, the research suggests that SMEs in the Lao tourism improve their marketing skills and study the concept of IMC as the imperative aspects for improving their marketing communication practices. Furthermore, SMEs should pay more attention to their marketing communication plans as well as adapting non-traditional media in their marketing communication.

In addition, by using the findings and recommendations of this research study, the conceptual model of marketing communication planning process (Figure 5.1) and the conceptual framework of using IMC to support business promotions (Figure 6.1) were developed for SMEs in the Lao tourism sector. These conceptual models were developed with the purpose of assisting SMEs and providing guidelines for them to create comprehensive marketing communication strategies and use marketing communication effectively to support their business promotions.
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APPENDICES

Appendix 1: Semi-structured interviews

Semi-structured interview questions for the research project

To protect the right and privacy of all participants in this research project, the researcher will protect the information that related to the participants’ privacy by de-identification. The participants would not be identified in order to ensure that they will not be harmed by any action of this research. The participants have the right to withdraw from the interviews in this project if they feel uncomfortable. Also, all the participants are allowed to review their own transcript and the final results of the project.

Section I: To understand the concept of IMC from the participants

1.) How do you describe what marketing communication is for your business?
2.) Are you familiar with the term of “Integrated Marketing communication”? What is your understanding of the term “Integrated Marketing communication”?
3.) Form your opinion, do you think using marketing communication can contribute to your business? Please explain.

Section II: To explore how SME businesses in tourism sector in Laos promote their business

1.) In the present / the past, have you ever done any activities to promote your business?
   - If yes: the researcher will ask the interviewees by the following questions
   1.1 How did you do the marketing promotion at that time? Please explain
1.2 Do you create a marketing plan before promoting your business? Please explain how you do it?

   a.) When doing marketing promotion, do you define the appropriate target audience for your business?
   b.) Do you consider the factors that make a customer decide to buy services with a company when promoting your company?
   c.) Do you define your brand’s position in the market?
   d.) Do outline your objectives when doing marketing communication? What is your objectives?
   e.) What kind of communication channel / media channel that you or have used which work best for your company?

- **If no: the researcher will ask the following questions**

1.1 Why you do not promote your businesses at the moment?
1.2 Do not you think doing marketing communication is important and can contribute to your business?
1.3 Do you have any plan for your business promotion in the near future? Why? Or Why not?

**Section III: Objective (To investigate what challenges that small and medium travel agencies in Laos when apply marketing communication in their business)**

1.) What are the biggest challenges that you confront when you need to do marketing communication for your business? What are they?
Appendix 2: Survey Questionnaires

Survey Questionnaires

To protect the right and privacy of all participants in this research project, the researcher will protect the information that related to the participants’ privacy by de-identification. The participants would not be identified in order to ensure that they will not be harmed by any action of this research. The participants have the right to withdraw from the survey for this project if they feel uncomfortable or any personal reasons.

1. Please state your purpose when you make a trip for travelling (You can tick more than one block)
   - [ ] Unique experience
   - [ ] Relaxation
   - [ ] Business
   - [ ] Others (Please specify): ...........................................................................................................

2. When you decide to make a trip for traveling, how often that you use services from travel agencies / travel suppliers.
   - [ ] Always
   - [ ] Usually
   - [ ] Often
   - [ ] Sometimes
   - [ ] Rarely
   - [ ] Never  (If you tick this block, please kindly go to sub-question (2.a.))
2. a. If you tick ☑ Never, please kindly give explanation why you do not use services with a travel agency.

3. Please (☑) tick to rate the factors below that you consider when making a travel trip with a travel agency / travel supplier

<table>
<thead>
<tr>
<th>Factors</th>
<th>Very High</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
<th>Very Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing unique experience</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing variety of tour programmes</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Price</td>
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<tr>
<td>Convenient to contact</td>
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<tr>
<td>Reviews and recommendation by travel websites such as : TripAdvisor</td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Others (Please specify):</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Please (☑) tick a block to rate the service quality of a travel agent/travel supplier that influences you when making a purchase decision.

**Responsiveness:** Fast response from a travel agency for requests; willing to help; provide information and prompt service.

**Reliability:** Ability of a travel agency to perform the promised services dependably and accurately.

**Tangibles:** Employees appearance, work areas, service offices, branches of office; equipment.

**Assurance:** Courtesy, credibility, security knowledge and courtesy of the staff and their ability to inspire, convey trust and confidence.

**Empathy:** Caring, individual attention that a company provides to its customers.
5. Please rate your preferred marketing channels that you would like to receive information about products/services from travel agencies/travel suppliers by indicating the number (1-3) as below:

1 – Very high  2 - High  3 - Medium  4 - Low  5 - Very low

<table>
<thead>
<tr>
<th>Type of marketing channel</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word of mouth</td>
<td></td>
</tr>
<tr>
<td>Travel Newsletter</td>
<td></td>
</tr>
<tr>
<td>Radio station</td>
<td></td>
</tr>
<tr>
<td>Travel magazine</td>
<td></td>
</tr>
<tr>
<td>Website advertising</td>
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<tr>
<td>Email</td>
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<tr>
<td>Brochure</td>
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<tr>
<td>Trade show</td>
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<tr>
<td>Television : TV programme</td>
<td></td>
</tr>
<tr>
<td>Video in media channels : Facebook, Twitter, YouTube</td>
<td></td>
</tr>
<tr>
<td>Sponsorship: sponsor for public events</td>
<td></td>
</tr>
<tr>
<td>Others (Please specify): ..................................</td>
<td></td>
</tr>
</tbody>
</table>

6. Please (✓) tick to rate the marketing tools (promotion methods) that influence your buying decision when you need to buy products / use services from travel agents/travel suppliers.

<table>
<thead>
<tr>
<th>Marketing tool</th>
<th>Very high</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising: newsletter, magazine, radio, television ….. etc.</td>
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<td></td>
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<tr>
<td>Direct marketing: email, telephone, website/internet, social media ….. etc.</td>
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<tr>
<td>Sale promotion: coupons, contest, premium, discount ….. etc.</td>
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<tr>
<td>Personal selling: sale appointment, making presentation, Face-to-face…..etc.</td>
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<tr>
<td>Marketing public relation: News, press release, event sponsorship …..etc.</td>
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<td></td>
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<tr>
<td>Others: (Please specify) ...............</td>
<td></td>
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</tbody>
</table>
7. Please (✓) tick to define how much that you become familiar to a brand if you receive consistent messages from a travel agency/travel supplier.

- [ ] Not familiar
- [ ] Slightly familiar
- [ ] Moderately familiar
- [ ] Very familiar
- [ ] Extremely familiar

8. Please (✓) tick to rate how much that your awareness of a brand increased when you receive consistent messages from a travel agency/travel supplier.

- [ ] No change
- [ ] Slightly high
- [ ] Moderately high
- [ ] Very high
- [ ] Extremely high

9. Below is a number of statements regarding attitudes to a company through marketing communication. Please read each one and (✓) tick to indicate to what extent you agree or disagree with each statement.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>No Opinion</th>
<th>Agree</th>
<th>Strong Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consistent messages make consumers consider products and services.</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred communication channels make consumers more interested in particular products and services.</td>
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<td></td>
</tr>
<tr>
<td>Preferred promotion tools increase the tendency of consumers to try particular services and products</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attractive messages make consumers more interested in certain products and services.</td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
11. Please indicate your gender
   □ Male
   □ Female

12. Which group age that you belong to?
   □ 18 - 25 years
   □ 26 - 35 years
   □ 36 - 45 years
   □ 46 – 55 years
   □ Over 56 years

13. Please indicate the type of your occupation
   □ Staff of public institutions
   □ Company staff
   □ Self-employed
   □ Retired personnel
   □ Students
   □ Others (Please specify): .................................................................

Thanks for your participation on this survey. Your information is very useful and beneficial for this research and it contributes to the marketing improvement for small and medium businesses in tourism sector in Laos.

UREC REGISTRATION NUMBER: (2016-1044)

This study has been approved by the UNITEC Research Ethics Committee from (21/7/16) to (21/7/17). If you have any complaints or reservations about the ethical conduct of this research, you may contact the Committee through the UREC Secretary (ph: 09 815-4321 ext 6162). Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.
Appendix 3: Participant Consent Form

Name: ……………………………………………... Position: ……………………………………
Organization’s name: ……………………………………………………………………………….

I have had the research project explained to me and I have read and understand the participant information given to me.

I understand that I do not have to be part of this project if I do not want to and I am able to withdraw from this research project within two weeks after the survey form is gathered.

I understand that everything I say is confidential and none of the information that I give will identify me and my organization and the only persons who will know what I have said will be the researchers and their supervisors.

I understand that the answers and information that I provide through the interview will be translated from Lao into English. All of the information after being translated and interpreted, it will be used as the data for the research analysis and the research study only.

I also understand that all data from the project will be stored during the period of the research project and for 5 years after the publication of the research at Unitec Institute of Technology.

I understand that my discussion with the researcher will be recorded and transcribed.

I understand that I am allowed to see the finished research document.

I have had time to consider everything and I give my consent to be a part of this project.

Participant Signature: …………………………… Date: ……………………………

Project Researcher: Latdaphone Vongkhamheng Date: ……………………………

UREC REGISTRATION NUMBER: (2016-1044)

This study has been approved by the UNITEC Research Ethics Committee from 21/7/16 to 21/7/17 If you have any complaints or reservations about the ethical conduct of this research, you may contact the Committee through the UREC Secretary (ph: 09 815-4321 ext 6162). Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.
Full name of author: Ms. Latdaphone VONGKHAMHENG
ORCID number (Optional): ..................................................

Full title of thesis/dissertation/research project ('the work'):
Integrated Marketing Communication strategies for SME firms in the tourism sector in Laos

Practice Pathway: Business Management
Degree: Master's degree
Year of presentation: 2017

Principal Supervisor: Dr. Andries Du Plessis
Associate Supervisor: Dr. Nithin Seth; Ravi Bhat

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Name of candidate: Ms. Lataphone VONKHAMHENG


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Principal Supervisor: Dr. Andries Du Plessis
Associate Supervisor/s: Dr. Nithin Seth; Ravi Bhat

CANDIDATE’S DECLARATION

I confirm that:

- This Thesis/Dissertation/Research Project represents my own work;
- The contribution of supervisors and others to this work was consistent with the Unitec Regulations and Policies.
- Research for this work has been conducted in accordance with the Unitec Research Ethics Committee Policy and Procedures, and has fulfilled any requirements set for this project by the Unitec Research Ethics Committee.

Research Ethics Committee Approval Number: 2016 - 1044

Candidate Signature: .................................................. Date: 15/06/2017

Student number: 1443119