A Study of Business Strategies Applied by Entrepreneurs in SMEs in the Hotel Industry in Vientiane to Maximise Competitive Advantage

BY

Thatsaphone Chaleunsouk

A thesis submitted in partial fulfilment of the requirements for the Degree of Master of Business
Business and Enterprise Network
Unitec Institute of Technology, New Zealand

Principal supervisor: Dr. Andries J. Du Plessis
Associate supervisors: Dr. Nithin Seth and Malama Saifoloi

2017
DECLARATION

Name of candidate: THATSAPHONE CHALEUNSOUK

This Thesis entitled: “A study of Business Strategies Applied by Entrepreneurs in SMEs in the Hotel Industry in Vientiane to Maximise Competitive Advantage” 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 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: 2016-1043

Candidate Signature: 

Date:

Student number: 1443108
Abstract

Today’s competitive business environment is unstable and continues to change, so business owners are facing great challenges in designing suitable business plans, particularly in developing countries where there are few studies and limited knowledge on business analysis and organisational strategies. Organisations need effective business strategies so that they can compete and succeed. In addition, to understand business environment, it is important for entrepreneurs and top managers to analyse the business environment in which their firms are surrounded in order to make effective business plans and suitable strategies. As Laos is a small and developing country which SMEs are the backbone of the national economy, it is vital to apply business environment analysis and business strategies to enhance business performance and gain competitive advantages.

This research study was aimed to investigate the level of awareness and understanding of hotel entrepreneurs towards the uses of business environment analysis tools in Vientiane. This study also concentrated on the perceptions of hotel entrepreneurs towards the use of PESTLE, Porter’s Five Forces and SWOT analysis. Apart from that, this research explored the level of awareness and understanding of hotel managers on strategic management and organisation strategies. In order to accomplish the aim and objectives of this research, the semi-structure interview was used as a qualitative approach to collect data from ten hotel entrepreneurs in Vientiane.

Based on the findings, it was found that although the majority of the hotel entrepreneurs were familiar and use business analysis tools, more than half of them did not apply PESTLE and Porter’s Five Forces in their hotel businesses. Besides, the main difficulties of hotel SMEs to apply business analysis tools were a lack of concern about organisational plans, inadequate human resources and limited access to analytical information.

Finally, this research generated answers to the research questions and met the research objectives. Practical recommendations from this research include the recognition of the importance of business analysis tools such as PESTLE and Porter’s Five Forces since these tools allow hotel entrepreneurs to design suitable business plans. Besides, SMEs need support from both private and governmental sectors in
terms of analytical data and training opportunities to develop human resources in the business strategy area. Furthermore, hotel entrepreneurs should see the importance of strategic management and organisational strategies in order to enhance business competitiveness and success.
Acknowledgements

First of all, I would like to express my thanks to New Zealand Aid Program (NZAID) for providing me with a scholarship to further my postgraduate studies at Unitec Institute of Technology in New Zealand. Without this scholarship, it would be impossible for me to have an opportunity to study in New Zealand.

I would like to express my sincere gratitude to my principal supervisor, Dr. Andries J. Du Plessis, who did not only provide me with knowledge but also guided me through this research journey and supported me in accomplishing my thesis. Without his support, it would be impossible for me to finish this research project.

I would like to express my sincere gratitude to my associate supervisors, Dr. Nitin Seth and Malama Saifoloi who always provided me with support and helpful advice. Without them, this research might not be completed.

Furthermore, I would like to thank Unitec professors, especially the lecturers in the Master of Business programme who provided me with knowledge and skills and helped me become more self-confident. In addition, I would like to thank Unitec staff, especially Te Puna Ako and international student office, who gave me support in not only studies but also the overall academic life in New Zealand.

Besides this, I would like to thank my parents and my sister who always encouraged and supported me in both good and bad times. Their encouragement meant a lot to me as it helped me walk through difficult situations and motivated me to achieve academic success in New Zealand.

Finally, I would like to thank my girlfriend who always stood by my side whenever I was happy or sad. She was my good advisor when I had difficulties and she gave me support until I finished my studies. Without her support, it could be hard for me to finish my studies. All mentioned above, I would like to thank all of them.
# Table of Contents

Abstract ................................................................................................................................. ii

Acknowledgements ................................................................................................................. iv

Table of Contents .................................................................................................................. v

List of Tables and Figures .................................................................................................... x

List of Abbreviations .......................................................................................................... xii

Chapter 1: Introduction ......................................................................................................... 13

1.1. The Background and Overview of Hotel Business in Vientiane, the Capital of Laos ......................................................................................................................... 13

1.2. Problem description ...................................................................................................... 15

1.2.1. The Focus of This Research Project ........................................................................ 16

1.3. Research Aim and Objectives ..................................................................................... 17

1.4. Research Questions ..................................................................................................... 18

1.4.1. Main Research Question ....................................................................................... 18

1.4.2. Sub-Research Questions ....................................................................................... 18

1.6. Conclusion .................................................................................................................... 19

1.7. Chapter Summary ......................................................................................................... 20

Chapter 2: Literature Review ............................................................................................... 21

2.1. Introduction ................................................................................................................... 21

2.2. What Is a Small and Medium-Sized Enterprise (SME)? ........................................... 21

2.3. SMEs in Laos ................................................................................................................ 22

2.4. Strategic Analysis ........................................................................................................ 23

2.5. Strategic Management ................................................................................................ 24

2.6. Business Analysis Tools ............................................................................................. 26

2.7. Environmental Analysis ............................................................................................... 27

2.7.1. Macro Analysis ....................................................................................................... 27

2.7.1.1. PESTLE Analysis ............................................................................................ 28

- Political and Legal Factors ............................................................................................. 28
- Economic Factor ............................................................................................................. 29
- Social Factor .................................................................................................................. 30
- Technological Factor ..................................................................................................... 30
3.4.3.2. Pilot study ........................................................................................................... 57
3.5. Data analysis ................................................................................................................. 58
3.6. Validity of results ......................................................................................................... 59
3.7. Ethical consideration .................................................................................................... 60
3.8. Conclusion ..................................................................................................................... 61
3.9. Chapter Summary ....................................................................................................... 62
Chapter 4: Findings ........................................................................................................... 63
4.1. Introduction .................................................................................................................... 63
4.2. The interview result and findings .................................................................................. 63
   4.2.1. Identifying the level of familiarity of hotel entrepreneurs towards the use of business environment analysis tools in the hotel industry in Vientiane ..................... 64
   4.2.2. Investigating the perceptions of hotel entrepreneurs on the use of SWOT analysis in hotel business in Vientiane ................................................................. 68
   4.2.3. Identifying the key benefits and challenges that business analysis tools provide to the hotel industry in Vientiane ................................................................. 69
   4.2.4. Investigating the perceptions of hotel entrepreneurs towards the interrelationships of strategic management and its benefits for hotel business in Vientiane ..................... 74
   4.2.5. Exploring the challenges of the application of strategic management in the hotel industry in Vientiane .............................................................................................. 76
   4.2.6. Investigating the perceptions of hotel entrepreneurs towards the design of business strategy in hotel business in Vientiane ............................................................. 77
4.3. Conclusion ..................................................................................................................... 80
4.4. Chapter summary ......................................................................................................... 80
Chapter 5: Discussion ......................................................................................................... 83
5.1. Introduction ..................................................................................................................... 83
5.2. Discussion of the interviews ......................................................................................... 83
   5.2.1. The level of familiarity of hotel entrepreneurs towards the use of business analysis tools in the hotel industry in Vientiane ................................................................. 83
   5.2.2. The perceptions of hotel entrepreneurs on the use of Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis in the hotel industry in Vientiane ..................... 85
   5.2.3. Identifying the key benefits and challenges that business analysis tools provide to the hotel industry in Vientiane ................................................................. 87
   5.2.4. Investigating the perceptions of hotel entrepreneurs towards the interrelationships of strategic management and its benefits for the hotel business in Vientiane ..................... 92
APPENDIX 2: Information sheet................................................................. 125
APPENDIX 3: Participant consent form.................................................... 127
APPENDIX 4: Organisational consent form............................................... 128
APPENDIX 5: Ethics approval letter......................................................... 129
List of Tables and Figures

Tables:
Table 4.1: Breakdown by respondents’ levels of familiarity with the term “business environment analysis tools” …………………………………………………………………………………… 66
Table 4.2: Breakdown by respondents who use BAT (PESTLE and Porter's Five Force) in their hotels in Vientiane…………………………………………………………………….. 68
Table 4.3: Breakdown by respondents who use SWOT analysis (n=10) ………… 70
Table 4.4: Breakdown by respondents’ perceptions of the key benefits of BAT in hotel business in Vientiane……………………………………………………………………. 72
Table 4.5: Breakdown by respondents’ opinions on the challenges hindering the application of BAT in hotel business in Vientiane…………………………………………………………….. 74
Table 4.6: Breakdown by respondents’ opinions on the key benefits that strategic management provides to hotel business in Vientiane…………………………………………………………….. 77
Table 4.7: Breakdown by respondents’ comments on the key challenges of the application of strategic management in the hotel industry in Vientiane……….. 78
Table 4.8: Breakdown by respondents’ perceptions on the importance of business strategy to their businesses……………………………………………………………………. 79

Figures:
Figure 2.3: The layers of organisational environment ………………………………………………………………. 32
Figure 4.1: Familiarity of entrepreneurs about business environment analysis tools (n=10).……………………………………………………………………………………………………… 66
Figure 4.2: The hotels in Vientiane which use BAT (PESTLE and Porter's Five Force) analysis (n=10) ……………………………………………………………………………………………. 68
Figure 4.3: Hotels in Vientiane that use SWOT analysis…………………………………………………………. 69
Figure 4.4: Key benefits of BAT for hotel business in Vientiane………………………………………………………. 72
Figure 4.5: Challenges hindering the application of BAT in hotel business in Vientiane………………………………………………………………………………………………………………….. 74
Figure 4.6: Key benefits that strategic management provides to hotel business in Vientiane………………………………………………………………………………………………………………….. 76
Figure 4.7: Key challenges of the application of strategic management in the hotel
industry in Vientiane (n=10) ................................................................. 78
Figure 4.8: Managers/Entrepreneurs perceived business strategy to be important for their businesses................................................................. 79
Figure 4.9: Factors that a hotel entrepreneur referred to when designing a hotel business strategy ................................................................. 80
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEC</td>
<td>ASEAN Economic Community</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of the South East Asian Nations</td>
</tr>
<tr>
<td>BAT</td>
<td>Business Analysis Tools</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>NEM</td>
<td>New Economic Mechanises</td>
</tr>
<tr>
<td>PESTLE</td>
<td>Politic Economy Social Technology Legal and Environment</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium-sized Enterprise</td>
</tr>
<tr>
<td>SWOT</td>
<td>Strength Weakness Opportunities and Treats</td>
</tr>
</tbody>
</table>
Chapter 1: Introduction

1.1. The Background and Overview of Hotel Business in Vientiane, the Capital of Laos

Laos is a landlocked country sharing its borders with Thailand, China, Cambodia, Myanmar, and Vietnam. Since Laos opened its borders for foreign investors in 1989, foreign investment has grown steadily, particularly in the small and medium enterprise (SME) sector (Freeman, 2001). Over the last few decades, the number of SMEs has increased and contributed to the socio-economic development of Laos.

Lao economy mainly depends on agricultural products, and it faces many difficulties because Laos does not have any seaport (Tongzon & Khan, 2007). In 2012, Laos was ranked as the 120th of 183 countries by business indicator list. In addition, there are many challenges regarding the changes of its fundamental national economy from agricultural products to business and trading industry (Pomfret, 2013).

As the ASEAN Economic Community (AEC) was established in December, 2015, many Asian countries changed their economic development strategies from centrally-controlled economies to market economies (Du Plessis, Marriott, Manichith, 2016; Li, Lee, & Tan, 1998). Laos implemented the New Economic Mechanism (NEM) in 1986, and it reformed its entire economy by changing from a centralised system to a market-oriented economy.

According to Sisounonth and Kongmanila (2014), the number of SMEs in Vientiane has increased rapidly since the government allowed foreign investors to make investments in Laos. Specifically, the number of hotels has increased sharply due to the increased number of visitors, the growth of the tourism industry and national economy. Yamauchi and Lee (1999) assert that the Lao government saw the potential of the tourism and hospitality industry because it could bring foreign currencies to the country leading to national economic growth.

Due to the shift in economic development, the number of investors in the tourism industry has been rising steadily in Asian countries. The tourism industry is considered
to be a primary focus for national economic development in many Asian countries including Laos (Li et al., 1998).

Hotel business in Laos was first started in 1975 after the country had declared to be an independent country. Initially, the number of hotels was very low and they were established in only particular provinces such as Vientiane, Champasack, Savannakhet and Luang Prabang (Inthavong & Onphanhdala, 2015).

Chuchart (as cited in Li et al., 1998) states that in 1989, there were less than 3,000 foreign visitors in Laos. However, the number of foreign visitors increased to 346,460 in 1996, and the number of visitors has increased by three fold since 2005. In 2013, Laos was ranked as the world-best tourism destination by the European Council. According to Inthavong and Onphanhdala (2015), there were 3.3 million foreign visitors in Laos in 2013, and the increased number of tourists was associated with a foreign investment policy adopted by the Lao government. Due to the rising number of tourists, the number of hotels and guesthouses has also increased significantly over the last few decades to meet the demands of visitors. While the number of hotels was limited in the 1990s, there are currently more than 345 hotels with different grades or stars in Laos (Inthavong & Onphanhdala, 2015).

Sisane (2014) asserts that the tourism industry in Laos is considered as the main factor which supports national economic growth. The rapid growth of the tourism industry led to the growing number of investments, particularly in hotel business. There are a variety of investors in hotel business in Laos which generally include Lao investors, foreign investors, state-owned hotels and joint ventures (Inthavong & Onphanhdala, 2015). However, hotel business is very competitive, especially in Vientiane (Sisane, 2014). As the tourism industry creates the second highest national income, the Lao government sets the tourism industry as one of their priorities which can generate income to develop the country (Hofmann, 2016). As a result, the number of hotels increased more than three times between 1992 and 1997 (Yamauchi & Lee, 1999). As the Lao government has a policy to promote and develop the tourism industry, the number of hotels has increased significantly, especially in major provinces and Vientiane (Suntikul, Butler, & Airey, 2010).
1.2. Problem description

SMEs play a crucial role in the socio-economic development of Laos. According to Phasinsaksith (2014), most businesses in Laos are regarded as SMEs. He states that there are approximately 126,913 SMEs which cover more than 90 percent of the total businesses in Laos, and there were more than 60,000 jobs created by SMEs. Kyophilavong (2007) explains that the Lao government recognises the importance of SMEs in socio-economic development, so they formulated and implemented policies to promote SMEs. It is noticeable that the economic reform of the Lao government had a positive impact on the growth of SMEs. This is because the number of new companies has increased steadily in recent years. Besides this, there has been a significant increase in foreign companies (Du Plessis, Phasinsaksith, Fourie, & Sukumaran, 2015).

However, Kyophilavong (2007) admits that although the implementation of foreign direct investment (FDI) and trade liberalisation policies has created great opportunities for entrepreneurs in Laos, there is still a lack of precise programmes or studies to meet the requirements of the SME promotion policy in Laos. Besides this, FDI adopted by the government also affects domestic investments, especially the SME sector. Apart from that, SMEs in Laos are experiencing many obstacles such as a lack of skilled labour and market competitiveness (Kyophilavong, 2007). Therefore, running SMEs in Laos becomes more and more competitive and challenging.

Although the number of new entrepreneurs in Laos has increased over the last few decades, most of those SMEs are regarded as family businesses. According to Southiseng, Ty, Walsh, and Anurit (2008), most SMEs in Laos are considered as home businesses. This means that family members play a key role in making decisions and running their businesses. Therefore, they may lack knowledge and skills to analyse the business environment, formulate and implement business strategies and manage business efficiency. Kyophilavong (2011) admits that SMEs in Laos are still at an initial stage of development, and business technology such as computers, internet, and accounting software is minimally used to support their family businesses. Thus, it is undeniable that current SMEs in Laos could face various challenges. Southiseng and Walsh (2010) point out that the challenges of SMEs in Laos involve a shortage of strategic management skills, a lack of long-term visions and business planning. Du Plessis, Phasinsaksith, et al. (2015) explain that most business owners in Laos fail to
focus on the strategic development process of their businesses because they spend most of their time on day-to-day operations. They also point out that SMEs need to improve the quality of their products and business strategies in order to maximise competitive advantages. As a result of this, many SMEs might not function effectively or even go bankrupt.

Khamsay, Takahashi, Nomura, and Yabe (2015) assert that there are many attractive tourist destinations in Laos. However, the quality of hotel services in those areas is still at a very low standard compared to other countries in the same region. However, Maneenetr (2014) states that when comparing the hotel industry in Laos to neighbouring countries such as Thailand which has an advanced hotel management, hotel business in Laos is still considered as small-size enterprises. Furthermore, as the hotel industry is booming in Laos, there is a greater level of competition, particularly in Vientiane which is seen as the business hub of the country. This competitive environment has created tensions in the hotel industry in Laos. According to The Sustainable Tourism Development Project In Lao PDR (2009), market competition is regarded as a barrier that prevents SMEs in Vientiane from growing and being successful in the long run. Thus, the main research problem of this study is associated with what business strategy tools that hotel entrepreneurs should utilise to enhance the performance, profitability and competitive advantages of their hotels in Vientiane.

1.2.1. The Focus of This Research Project

This study will focus on the environmental analysis of hotel business in Vientiane, and then it will explore the perceptions of hotel entrepreneurs on the application of business strategy analysis tools which might include Political, Economic, Social, Technological, Legal and Environmental (PESTLE) analysis, Porter’s Five Forces analysis and Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis. These analysis tools could be used to determine and implement business strategies in order to enhance organisational performance and gain competitive advantages for the hotel business in Vientiane. This research will begin with the application of Porter’s Five Forces and SWOT analysis to analyse the strengths, weaknesses, opportunities and challenges of hotel business. Then it will examine the understanding of hotel entrepreneurs in Vientiane on the use of PESTLE and Porter’s Five Forces analysis for the formulation of their business plans.
In this research study, a hotel entrepreneur refers to the owner of a hotel who makes a decision and sets a business goal for their hotel businesses. Entrepreneurs also refer to individuals who invest resources, undertake business ventures, manage business efficiency and shape the future of their businesses (Poschke, 2013; Zhao, 2012). Besides, the main reason why the selected participants were identified as entrepreneurs is that these participants are the starters or funders of their businesses. Similarly, Kautonen (2008) asserts that an entrepreneur is a person who has an ability to set up and run a business according to the ability of having financial, human and other resources. Douglas (2009) mentions that an entrepreneur is a person who can make a decision for his or her business in an unreliable business environment.

Apart from that, this research project will explore the strategic management of hotel business in Vientiane in order to identify the strategic norms of the hotel industry. This study will also concentrate on investigating the perceptions of hotel entrepreneurs towards the use of business analysis tools in the hotel industry in Vientiane. It will review the literature associated with business strategies and hotel operations in order to explore effective approaches for improving business performance and dealing with challenges. Therefore, the scope of this research will mainly focus on the application of business environmental analysis tools and effective business strategies for newly-established and existing hotels in Vientiane.

1.3. Research Aim and Objectives

The aim of this research is “to explore the perceptions of hotel entrepreneurs in Vientiane on business strategy analysis tools which could enhance business performance and competitive advantages”

In order to accomplish the aim above, the following research objectives need to be achieved:

1. To examine the familiarity of hotel entrepreneurs on the use of business environment analysis tools (PESTLE and Porter’s Five Forces analysis) in the hotel industry in Vientiane.
2. To investigate the perceptions of hotel entrepreneurs on the use of SWOT analysis in the hotel industry in Vientiane
3. To identify the key benefits and challenges which business analysis tools can provide to the hotel industry in Vientiane
4. To investigate the perceptions of hotel entrepreneurs towards the interrelationships between strategic management and its benefits to the hotel industry in Vientiane
5. To explore the challenges of the application of strategic management in the hotel industry in Vientiane
6. To investigate the perceptions of hotel entrepreneurs towards the design of business strategies in the hotel business in Vientiane

1.4. Research Questions

1.4.1. Main Research Question

Based on the research aim and research problems, the main question of this study is:

“How do business strategy analysis tools influence business performance and competitive advantages in the hotel industry in Vientiane?”

1.4.2. Sub-Research Questions

In order to achieve the research objectives and answer the main research question above, the following sub-questions of this study need to be clearly answered:

1. How familiar are hotel entrepreneurs with the use of business environment analysis tools in the hotel industry in Vientiane?
2. What are their perceptions on the use of SWOT analysis in the hotel industry in Vientiane?
3. What are the key benefits and challenges which business analysis tools may provide to the hotel industry in Vientiane?
4. What is your perception towards the interrelationships between strategic management and its benefits to the hotel industry in Vientiane?
5. What are the challenges of the application of strategic management in the hotel industry in Vientiane?
6. What is your perception towards the design of business strategies in the hotel business in Vientiane?
1.5. Thesis overview

There are six Chapters in this thesis:

Chapter one introduces the description and background of this research study. This chapter includes the rationale why this research study was conducted, and it also discusses the aims and objectives of this research.

Chapter two provides the literature review related to the aims and objectives of this research study. This includes the significance of business analysis tools to SMEs, particularly in the hotel business, macro and micro analysis, strategic management, types of markets and strategies.

Chapter three introduces the research methodology and the method used to conduct this research study, and it includes data collection, sampling and data analysis.

Chapter four presents the findings that gained from semi-structured interviews with ten hotel entrepreneurs about the importance and relationships of BAT, business strategy and SMEs, particularly in hotel business in Vientiane.

Chapter five presents analytical data regarding the findings in chapter four. To do this, the literature review and relevant studies are used in order to support the result of the findings.

Chapter six provides the key findings and conclusion of the research. The recommendations are given to the hotel entrepreneurs and related organisations in order to improve SMEs, particularly in the hotel business in Vientiane. Finally, it provides research limitations and direction for the future research.

1.6. Conclusion

The background of the research study explained the general information of Lao economy and its relationship to the ASEAN Economic Community (AEC). This chapter also addressed the history and policy of the Lao government on SMEs, particularly in the tourism and hotel business, which emphasized through the open policy of the government to attract more foreign investors, especially in the tourism and hospitality sector in Laos. Besides, the problems that hinder Lao SMEs from growth were introduced, and the aim and objectives of this research study were revealed. The
research questions and the sub-research questions were also discussed in order to find out the answers to the research aim and objectives.

1.7. Chapter Summary

Chapter one introduced a big picture of this research study which included the background, the aim and objectives of this research project. It began with the general background of Laos which included its location, national economy and business practices. Next, it explained the problems and importance of SMEs in Laos. It also addressed the perceptions of hotel entrepreneurs towards commonly-used strategies in their businesses. Then it described the needs of SMEs in Laos for the application of business strategy analysis tools such as PESTLE, Porter’s Five Forces and SWOT analysis in order to formulate and implement effective business plans. Besides, strategic management and business strategy were also introduced in this chapter. Finally, the questions and sub-questions of this study were formulated so that the aim and objectives of this research could be achieved. The next chapter reviews relevant literature.
Chapter 2: Literature Review

2.1. Introduction

In chapter 1, the introduction as well as the background of the study were explained. This chapter discusses the theoretical foundation, and the literature is reviewed so that it can be used to support the findings and objectives of this research study. First, the concept of SMEs in the Lao context is presented. Then the literature relevant to business strategies such as strategic management, BAT, micro and macro-business environment, analytical approaches, types of strategies, kinds of businesses and types of markets is examined respectively. Lastly, this chapter also discusses the importance and relationships between business strategies and SMEs, particularly the hotel business in Vientiane.

2.2. What Is a Small and Medium-Sized Enterprise (SME)?

SME can be identified in numerous ways (Srinivas, 2005). Many studies identify SME based on the number of employees. In the United Kingdom and the European Union, SME is described as a company which has less than 250 staff members. According to a report of the World Bank by Hallberg (2001), the minimum number of employees in an SME can range from 5 – 10 while the maximum number of employees can be from 50 - 100. Besides this, in Southeast Asia, SME can be defined by the number of workers, total value of assets or total volume of sales in organisations (Freeman, 2004). The European Union also describes an SME as a company with less than 25 percent of stakes owned by other organisations (Bourletidis, 2013). In general, most SMEs operate their businesses in the manufacturing or service sectors (Hayes, 2009). McKenzie & Santiago (2005) state that the majority of businesses worldwide are categorised as SMEs. They explain that SMEs approximately constitute 95-99 percent of all businesses and production in many different countries.

SMEs are different from large organisations in many ways. According to Du Plessis, Indavong and Marriot (2015b), SMEs are different from large companies in terms of innovation, stability and adaptability. Hayes (2009) points out that SMEs have limited access to essential resources which do not allow them to expand and take advantage of the marketplace. Munro (2013) differentiates SMEs from large companies by the
number of workers and financial factors. Due to these limitations, he explains that SME owners and managers generally operate businesses on a short-term basis which could make their firms run properly and profitably, rather than focusing on long-term strategic planning. Nwankwo and Gbadamosi (2010) categorise SMEs into three main characteristics which can be explained through economic criteria. These criteria are as follows:

- They have fairly minor portions of market shares in the marketplace.
- They are commonly managed by individuals, business owners and have uncomplicated management hierarchies.
- They are independent and more likely to be informal compared with larger organisations.

### 2.3. SMEs in Laos

It is undeniable that SMEs play a crucial role in national economic development. They contribute to a reduction in unemployment, and also help create jobs and develop a skilled workforce for both small and large organisations (Abdullah, 2002). In the economy of Laos, SMEs are regarded as the main driver of the economic growth which constitutes as much as 95% of all investments in the country. Southiseng and Walsh (2010) point out that Lao economy consists of 5% large enterprises, 16% medium-sized enterprises, 58% small enterprises, and 21% micro enterprises. Moreover, SMEs are considered as another important factor which can influence not only the national but also the regional economy because SMEs can boost economic growth in underdeveloped parts of the region (Southiseng et al., 2008). They add that SMEs can be an important driver which can propel national economic growth. This is because when the number of SMEs increases, national unemployment tends to reduce and the overall national income is likely to rise.

In recent years, the number of SMEs in Laos has increased continuously since Laos opened itself to foreign investments in 1989 by focusing on increasing the number of foreign investments and reducing trading obstacles (Freeman, 2004). SMEs in Laos play a crucial role in developing the national economy. Although SMEs in Vientiane have increased significantly, Laos’s entrepreneurs still formulate and implement
business strategies based on their own understanding and experience (Du Plessis, et al., 2015a).

However, it is complicated to increase the number of SMEs, especially in developing countries due to many challenges. These challenges could limit the growth of SMEs, i.e., the availability of substitute products and services as well as existing competitors in the same market (Southiseng et al., 2008). According to a provision by the Prime Minister’s Office (2004), SMEs are categorised into two scales: small and medium enterprises. Small enterprises refer to the firms which employ no more than 19 workers or have total assets worth less than $40,000. Medium enterprises refer to the companies which hire no more than 99 employees or have total assets worth less than $210,000 (Southiseng et al., 2008).

SMEs play an important part in poverty reduction and increased employment in developing countries (Fingleton, Paci, & Eraydin, 2003). For instance, SMEs in Southeast Asia provide 75-90 percent of regional employment. They have significant roles to play in the expansion of the private sector which leads to job creation and support in larger enterprises (Du Plessis, et al., 2015b). Therefore, SMEs can be regarded as a significant factor which can propel national economic growth. Abdullah (2002) asserts that SMEs can reduce unemployment rates and provide training and professional development opportunities to employees. They provide larger organisations with skilled workers and supplies. Besides this, SMEs also provide overseas markets with a skilled workforce and products.

2.4. Strategic Analysis

Strategic analysis is generally implemented in the first step of the strategic analysis process, and strategic analysis contains “advanced work” which needs to be completed in order to formulate and implement strategies effectively (Dess, Eisner, Lumpkin, & McNamara, 2012). Houston, Stonehouse, and Houston (2003) point out that gathering information is the purpose of strategic analysis because effective leaders need relevant and adequate information to help them make right decisions. They also explain that there are two main stages of studies in strategic analysis. The first stage is about a study of the internal environment of an organisation. This stage involves the investigation of the internal structure and processes of the organisation with the
expectations to identify corporate strengths and weaknesses. Then the second stage is about macro environmental analysis. Warner (2010) explains that it is crucial to collect information regarding the macro environment which the firm is operating within. At this stage, there will be emphasis on every movement and trend which could have an impact on the competitiveness and success of the organisation.

Figure 2.1: The strategic analysis process

![Diagram of the strategic analysis process]

Source: Houston et al. (2003, p. 2)

2.5. Strategic Management

According to Samson and Daft (2012), strategic management refers to the decision-making process used to develop and put strategies into practice, and it can provide the alignment between business operations and environment to increase opportunities for goal achievement. In addition, it refers to the utilisation of corporate resources such as human, time and financial resources and equipment to accomplish organisational goals. Alkhafaji & Nelson (2013) explain that it is also about goal setting, external and internal business environment analysis and strategic review to ensure strategic planning and implementation throughout the organisation. According to the study of Dyck and Neubert (2008), strategic management also refers to the decisions and analysis of senior management for the formulation of organisational strategies. It also refers to the process of analysing, formulating and implementing strategies which are aimed to
achieve organisational objectives (Harrison & John, 2013). Strategic management is used as an organisational tool for controlling the destiny of the organisation (Alkhafaji & Nelson, 2013). Dess (2014) asserts that strategic management involves analysis, action and decisions which are intended to create and maintain competitive advantages, and it is a continuous planning process. Afonina (2011) points out that strategic management can be a tool or process which managers use to deal with issues and to guide their companies in the right direction.

However, Dess et al. (2012) admit that many business strategies fail because managers formulate and implement their business strategies without regard to internal and external business environment. David (2014) also describes strategic management as “the art and science of formulating, implementing and evaluating cross functional decisions that enable an organisation to achieve its objectives” (p. 5). Besides, Amason (2011) asserts that strategic management involves the integral elements of organisations such as organisational structures, styles and cultures. It consists of strategy formulation, implementation and environmental analysis. Besides this, strategic management can improve organisational performance because it can increase the efficiency of the whole structure of the internal and external environment. In addition, it can provide useful and evaluative information on the decision making process.

Why is Strategic Management Important to SMEs? According to Campbell, Edgar, and Stonehouse (2011), “strategic management can be viewed as a set of theories, frameworks, tools and techniques, designed to explain the factors underlying the performance of organisations and to assist managers in thinking, planning and acting strategically” (p. 6). This means strategic management is regarded as a tool which managers and business owners use for analysing business performance. Then they can use evaluative data to determine action which can enhance future performance. Due to the fact that SMEs are likely to grow continuously, the management systems and organisational structures of SMEs ought to be changed so that they can respond to a changing business environment (Levey & Powell, 2005). However, according to Du Plessis, et al. (2015a), the majority of SMEs in Laos tend to utilise simple business strategies, and employers are directly involved in the decision making process. This might lead to problems when business owners have limited knowledge and skills to develop business strategies to meet the requirements for their organisations.
Therefore, many studies show that there is a close linkage between business performance and strategic management. Du Plessis et al. (2015a) explain that applying strategic management in SMEs can support business owners in the analysis and evaluation of strengths and weaknesses. Then they can make improvements in their businesses by avoiding potential threats and exploiting opportunities in the marketplace.

Due to the fact that SMEs can contribute to the national economic growth, many researchers conduct their studies on the connection between business strategies and strategic management and the impact of strategic management on SMEs. However, Du Plessis, et al. (2015a) admit that the studies on the connection between SMEs and business strategies are still limited because many larger organisations ignore the importance of theories about business strategies. Analoui and Karami (2003) point out that there is ineffective use of business strategies and resources among business researchers. Therefore, some researchers could generate reliable theories on the connection between strategic management and business performance, and other researchers might think that business strategies could increase the number of SMEs when SMEs become more complex (Grant, Hackney, & Edgar, 2010).

2.6. Business Analysis Tools

A business analysis tool refers to a set of techniques that are commonly used by managers or business owners to design business strategies or business plans. Significantly, these tools enable managers to understand the business environment of organisations, allowing them to design suitable business strategies. The tools are also used to find out solutions for organisations to attain business objectives and goals (Frue, 2015). In order to use business analysis tools effectively, entrepreneurs or managers generally apply different analysis tools. The study by Cadle, Paul, and Turner (2014) shows that “The early engagement of business analysis also places a critical responsibility upon them - the need to ensure that all business changes are in line with the mission, objectives and strategy of the organisation” (p. 1). Therefore, in order to use business analysis tools effectively, entrepreneurs or managers generally apply different analytical tools.
2.7. Environmental Analysis

Wheelen and Hunger (2012) affirm that environmental scan or environmental analysis is a tool for evaluating or analysing both internal and external environment in which organisations are operating in order to explore the profitability of their businesses. Beal (2000) asserts that an environmental scan is generally used as an analysis tool for determining an effective business strategy. Probert and Minutes.Com (2015) contend that although the external environment is an uncontrollable factor, organisations could influence and modify their internal environment or internal factor. Therefore, environmental analysis can be recognised as a tool for examining or evaluating current organisational situations, and analysis information can be used to inform decisions whether organisations should or should not move into new business targets. Cadle et al. (2014) claim that changes can make an effect on organisational operations. Organisations have to identify the changes of their current business environment in order to respond to them. Changes can also cause business problems or business failures if organisations fail to respond to them effectively.

According to Babatunde and Adebisi (2012), conducting environmental scan can alert organisations about their internal and external environment which could shape their future direction. Outside factors can also have an impact on how organisations conduct environmental analysis on their performance and decision making. Grant (2012) states that environmental analysis is a useful tool to indicate and evaluate what is going on inside and outside organisations. Babatunde and Adebisi (2012) explain that environmental analysis examines business environment and indicates any current events so that organisations can manage and deal with opportunities and threats in their markets and business competitors. Therefore, an environmental scan is regarded as a vital tool for organisational survival and growth.

2.7.1. Macro Analysis

The macro analysis involves many external aspects which are beyond organisational control. They can influence the operations and management of a business. PESTLE analysis, one of the external analysis tools, refers to the analysis of political, economic, social, technological, legal and environmental factors. It is recognised as a useful business analysis tool which is used to measure the external environment of firms in
order to take suitable actions and make upcoming plans (Yüksel, 2012). Several scholars agree that macro environment is a broad environment surrounding firms which could have an effect on organisations (Feys & Probert, 2015). Harrison and John (2013) explain that the evaluation of the macro or external business environment allows managers or business owners to understand and determine business trends, opportunities and threats in order to establish appropriate business direction and groundwork for strategic direction of their organisations.

Houston et al. (2003) conceptualise external environment as an opinion. It encompasses the concentric strata of factors which can have an impact on organisations. These authors also stress that changes in the external environment can be crucial to organisations. Moreover, external changes can have a tremendous impact on not only a particular firm but also the entire industry, and these effects can make the industry expand or shrink (Houston et al., 2003).

### 2.7.1.1. PESTLE Analysis

The purpose of using macro analysis is to increase an understanding of the external environment through the use of PESTLE analysis. According to Feys and Probert (2015), the key purpose of PESTLE is to identify unavoidable change in macro economy which could have a crucial impact on the business performance and future direction of organisations. It is used in order to evaluate and understand the external factors of companies. Using PESTLE analysis could help managers and entrepreneurs to be aware of what is going on in external markets (Grant, 2012). Furthermore, an outside environmental scan allows managers and entrepreneurs to understand the strengths and weaknesses of the current markets before moving into the competitive markets (Wheelen & Hunger, 2012).

- **Political and Legal Factors**

The political factor focuses on the political environment in a country which includes government regulations, laws, tax system and domestic and foreign investment policies (Oxford Learning Lab, 2012). As the result of this, before starting a new business, it is crucial for firms to examine the political factor to see which country they are going to invest in because it can be clearly seen that without truly understanding the political factor, firms could be faced with unpredictable problems leading to ineffective business
performance. In a recent study of Williams and Media (2015), business operations can be affected by the change of governmental regulations. This is because national economic policies and business laws directly impact business profitability.

The legal factor refers to the laws which affect both inside and outside business environment. Every country, has different laws governing trades and business operations. Some laws might affect business operations such as employment law, security standard and consumer law (Pestle Analysis, 2015). Apart from this, laws or government policies can have a direct impact on organisational operations (Hubbard, Rice, & Galvin, 2015). “Legal environmental captures the official outcomes of the political processes as manifested in laws, mandates, regulation and court decision” (Rothaermel, 2013, p. 60).

**Figure 2.2: The 6 variables of the PESTLE analysis**

- **Economic Factor**

Another factor that plays a crucial role in organisational growth is the economic factor. It represents the economic size either nationwide or worldwide which involves various areas such as the growth rate of the national economy, inflation and unemployment rates (Oxford Learning Lab, 2012). Laos is categorised by the United Nation as a least
developed country. However, the country is aimed to be a developed country by 2020. Due to economic reformation, it encourages small businesses in Laos to move forwards. Moreover, Laos is accepted as a peaceful country with stable policies and fast growing national economy. This leads to a good investment environment (Du Plessis et al., 2015a).

- **Social Factor**

Other factors that influence organisational growth are the social and cultural factors. They include the cultures of the area or society which a firm is located in, education level, beliefs, behaviours and birth rate (Oxford Learning Lab, 2012). Furthermore, it can be seen that the changes to social and cultural factors have a tremendous impact on every business performance and service including SMEs and all industries (David & David, 2015). Importantly, Changes in social trends could lead to a tremendous impact on firms and their products in both positive and negative ways. Hence, managers must closely monitor the consuming behaviours of their customers in order to maintain and increase the number of customers in the markets (Rothearmel, 2013).

- **Technological Factor**

The technological analysis refers to the operations of businesses or industries which can be affected by the changes of technology (Pestle Analysis, 2015). Moreover, using technology also contributes to both quality and quantity of products and services (Huczynski & Buchanan, 2013). Technological advancement can enhance organisational productivity as it enables firms to create more opportunities in the market and take advantage of their competitors such as improvement to product quality, access to larger groups of customers and business efficiency (David & David, 2015).

- **Environmental Factor**

The environmental factor can be a big concern for every firm. It might include the limitations of natural resources, the waste from production and how it affects the environment and also recycle process (Oxford Learning Lab, 2012).

**The Application of PESTLE Analysis**

Beal (2000) states that environmental analysis is widely recognised as an initial step for the process in relation to business environment and strategies. This is because an
effective environmental scan allows strategists to create an effective and competitive strategy. Strategic management theorists and practitioners concur that organisations can function more effectively than their competitors when they consider the interrelationships between their competitive strategies and the needs in their environmental analysis (Beal, 2000). There are several situations and occasions that managers can apply PESTLE analysis. According to Feys and Probert (2015), this analysis can be applied not only at an initial stage or in a newly-established business but also in the development of a new product. Hanson, Hitt, Ireland, and Hoskisson (2011) insist that in order to develop a successful competitive strategy, organisations should understand and be aware of variables and competitive advantages in their external environment. Analysing external environment allows firms to gain crucial information about their competitors, customers and stakeholders so that they can develop an understanding and capacities to take effective and successful actions. The following are the situations in which PESTLE analysis can be applied:

- Setting up a new business requires PESTLE analysis to convince shareholders or investors to invest in the start-up. At this stage, strategic analysis tools might be used to conduct the whole business study associated with certain markets and customer competition (Feys & Probert, 2015).
- Prior to the development of new products, PESTLE analysis might be used to evaluate whether the business environment has market opportunities for new products (Feys & Probert, 2015).
- Examining the marketing positions of organisations - the decisions or strategies which are made during the establishment of the companies may become outdated in comparison to the persistent evolution of other companies. Thus, strategies need to be continuously improved so that the organisations can stay competitive in the markets (Feys & Probert, 2015).
- Strategy formulation criteria – there is a need to understand macro-economic variables such as social and historical factors. The social factor could be a significant factor that help organisations understand how to communicate with potential customers effectively. Besides this, being aware of the social history and social norms could help avoid pricing mistakes (Feys & Probert, 2015).
2.7.2. Micro Environmental Scan

Micro environmental analysis is a factor that contributes to an organisational competitiveness. It is important for a business to understand its capability, position and competitive advantages. This includes an understanding of competitors, strengths and weaknesses (Magretta, 2013). While the industry can be affected by the macro environment in the long run, the micro environment tends to affect firms immediately. Micro analysis is a procedure that can help them to adapt to changes and to grow in the marketplace (Fletcher, 2015). Houston et al. (2003) explain that “internal analysis is concerned with providing management with a detailed understanding of a business, how effective its current strategies are and how effectively it has deployed its resources in support of its strategies” (p. 31). They add that internal analysis is crucial because many studies show that it is due to the action of organisations themselves that determine their capabilities to gain competitive advantages over their competitors. This is because internal analysis allows organisations to understand their potential and develop competitive advantages over their competitors. These authors also point out that the micro environment consists of the industry and marketplace in which organisations compete, and this environment is generally competitive.
2.7.2.1. Porter's Five Forces Analysis

“The micro environment, as the name suggests, is the immediate environment that impacts a business. The micro environment includes considerations related to suppliers, customers and local stakeholders, including local government agencies” (Richards & Media, 2015, para. 2). Porter's five forces are used to analyse competitive situations against other firms existing in the market. It is seen as a significant measurement to scan business operations (Grant, 2012).

According to Porter (as cited in Rostek, 2015), there are five main forces which collectively and individually (as a result from internal and external reactions) create the values of organisations through competitive advantages. He asserts that the five forces which threat organisational competitiveness include the threat of new entrants, rivalries among competitors in the same industry, bargaining power of suppliers, bargaining power of buyers and threat of substitute commodities.

**Figure 2.4: Porter’s Five Forces variables**

![Porter's Five Forces variables diagram]

Source: Porter (as cited in Rostek, 2015)

- **Threat of New Entrants**

Threat of new entrance is the emerging of new or similar business in the market which can be the new competitors of existing business. The emerging of new firms means existing firms will have more business competitors, so their markets will be shared by those new entrants (Wikinson, 2014). New entrants could shake and affect new markets
by offering more values to new clients. Their main aim is to acquire the shares of new markets through generating pressure on policies and prices (Cadiat & Probert, 2015). The new entrants become stronger threats when there is technological access, and there is no obstacle to enter new markets.

- **Rivalries among Competitors in an Industry**

It is undeniable that the threat from existing competitors contributes to a reduction in companies’ profits since their competitors can reduce their abilities to increase market shares (PÎRvu & Enescu, 2012).

- **Bargaining Power of Suppliers**

Bargaining power means the power of suppliers who have a direct impact on the prices of products. Suppliers have more power in terms of increasing or reducing the prices of their goods or raw materials (Strategic management: formulation and implementation, 2014). Bargaining power can make a big difference in every single business. This is because it can create options in business which contributes to improvements to new resources and product lines (Casadesus-Masanell & Ricart, 2011). It also refers to the power and capabilities of companies to make decisions and adjust the prices and quality of their products before dealing with their customers (Nair, Narasimhan, & Bendoly, 2011).

- **Bargaining Power of Buyers**

The bargaining power of buyers means the abilities of buyers that can put pressure on the prices and quality of certain products and services (Wikinson, 2013). “A buyer group is a subset of downstream firms that pool their demand for an upstream input to negotiate a better deal with suppliers” (King, 2013, p. 1). Cadiat and Probert (2015) state that in a competitive business environment, customers’ influence relies on their abilities to negotiate with producers. This means that buyers with negotiating power could force producers to reduce the prices of products or services.

- **Threat of Substitute Commodities**

The threat of substitutes refers to the products or goods that are available in the markets. This means customers or buyers can have more options to choose other products rather than relying on just a single brand or specific product (Hines, 2013).
Cadiat and Probert (2015) point out that in the similar product range, substitute products can meet customers’ needs in diverse and innovative ways. They explain that substitute products could become actual threats when they can provide better quality with lower price compared to other existing products in the same marketplace. Besides this, it is crucial for managers or business owners to understand the significance of using analysis tools to develop an understanding of business performance and formulate effective business strategies to help organisations achieve their objectives.

**Model of Competitiveness Development**

Stankiewicz (as cited in Rostek, 2015) developed a model which demonstrates four steps for competitiveness development. This model is called a competitiveness development model (Figure 2.5). The four steps in this model include a competitiveness potential, competitive advantage, competitive instrument, and competitive position. According to this model, it can be seen that the initial stage involves organisational abilities to compete in the markets. These abilities lead organisations to focus on direction and product positioning in order to enhance their abilities to compete with other businesses.

![Figure 2.5: Competitiveness Development Model](source: Stankiewicz (as cited in Rostek, 2015))

**2.7.2.2. SWOT Analysis**

SWOT analysis or SWOT approach stands for Strengths, Weaknesses, Opportunities, and Threats. It is an analytical method which can help organisations deal with their
ultimate challenges. Hindle (2012) asserts that “SWOT is a handy mnemonic to help corporate planners think about strategy” (p. 181). This method allows public and private organisations to identify internal factors, organisational systems, and external factors, the environment which organisations are operating within (Probert & Minutes.Com, 2015). SWOT analysis is concerned with gathering information to inform decisions instead of providing recommendations (Chartered Management Institute., 2014). Elearn (2008) insists that when strengths and weaknesses are clearly identified, organisations can decide how to adjust themselves to changes in the external environment.

According to Pritchard (2014), the information from SWOT analysis can be presented to management teams. This analysis tool can be used to support management teams in changing certain aspects of organisations such as the strengths and weaknesses of organisations. Besides, this analysis tool allows managers or business owners to pay attention to challenges which could potentially have an effect on their organisations. Managers or business owners could use this tool to develop an understanding about the needs and improvements in their businesses (Project Management Institute, 2015). In addition, applying this analysis tool could assist them in assessing their business strategies and objectives.

- **Strength**: Business or organisational strengths refer to the internal factors of organisations which could enhance their competitive positions (Probert & Minutes.Com, 2015). Porter (as cited in Lehmann, 2012) asserts that the strengths and weaknesses refer to the skills and assets which organisations possess. Organisational strengths are the organisational elements which reinforce their competitive advantages and development (Probert & Minutes.Com, 2015).

- **Weakness**: Organisational weaknesses are connected to the internal factor of organisations. Normally, the weaknesses of a firm have a negative effect on its competitive position and organisational performance (Probert & Minutes.Com, 2015). “The ability to clearly identify the internal weaknesses of an organisation is vital: it allows for the improvement of relevant issues and the re-orientation of work in order to make them vulnerable”(Probert & Minutes.Com, 2015, p. 6)

- **Opportunity**: Opportunities involve the external factors which allow organisations to grow and enhance their competitive advantages (Probert &
A firm’s opportunities rely on the availability of external business environment. Opportunities can be used in order to improve organisational development or competitive positions of firms (Probert & Minutes.Com, 2015).

- **Threat**: Threats refer to the external factors which could have a negative impact on the internal environment of organisations (Probert & Minutes.Com, 2015). Originally, organisational threats come from the external environment or external factors. Interestingly, Probert and Minutes.Com (2015) maintain that “Sometimes, threats can become strengths. Likewise, opportunities can become weaknesses. In fact, given that the organisation does not develop in its environment alone, its future also depends on the decisions made by competitors” (p. 6).

Elearn (2008) points out that due to the adjustable and flexible nature of SWOT analysis, this tool can be applied in various aspects in organisations such as products, departments and projects.

**Figure 2.6: SWOT Analysis**

Harrison and John (2013) state that SWOT analysis is closely connected to strategic management. This is because applying this analysis allows managers to use analytical data to create a suitable strategic development process and strategic direction including organisational missions, visions to ensure goal achievement. Furthermore, Analoui and
Karami (2003) assert that business performance could be enhanced when SWOT analysis is used for strategic planning or business strategies.

2.8. What is a Business Strategy?

According to Panwar (2016), a strategy refers to identifying factors which create a competitive advantage. A business strategy can be defined in various ways. It refers to a set of long-term actions designed to achieve certain objectives or goals of a firm (Panwar, 2016). Most definitions of a business strategy are associated with a set of theories used to achieve organisational objectives whereas other definitions relate to long-term business planning. Watkins (2007) defines it as “a set of guiding principles that, when communicated and adopted in the organisation, it will generate a desired pattern of decision making” (p. 9). He explains that effective strategies allow managers to see clear roadmaps and help them operate and steer their businesses. From managerial perspectives, a strategy simply means the direction which a company aims to move towards (DuBrin, 2012). Panwar (2016) claims that a business strategy requires the evaluation of a sequence of solutions to determine the best way to handle challenges.

However, Ansoff and Porter (as cited in Grundy, 2003) describe a business strategy as the application of a sustained competitive advantage to help organisations move from their current positions to their future desired destinations. Interestingly, Panwar (2016) points out that there is no best strategy, but it is more important for business to handle with each situation based on the evaluation of the business environment. Clegg, Carter, Kornberger, and Schweitzer (2011) assert that a strategy is related to big plan development. Generally, managers utilise all existing organisational resources to enhance organisational performance.

De Wit and Meyer (2010) explain that there are three categories of strategies in the business context such as a strategy process, a strategy context and a strategy content. First, the strategy process is concerned with how a strategy will be developed and implemented, by whom tasks will be carried out and when they will be implemented. Second, the strategy content is linked to the factors which should be included in an organisational strategy. Lastly, the strategy context is about where a strategy should be implemented such as in a certain industry or marketplace.
**Strategy process:** A strategy process is about how to implement and develop a strategy such as who will do the task; and when the actions should be taken (De Wit & Meyer, 2010). A strategy process is the investigation of strategy formation and strategy implementation. From the managerial aspect, this process is important as it provides opportunities to monitor and access the overall effectiveness of a strategy. It is contended that identifying, diagnosing, conceiving and realising are the four steps of actions in the strategy process (Ziriukina, 2014). It is concerned with making a set of choices or decisions for an organisation. In order to make decisions, a lot of data is collected from many sources. McGee, Thomas and Wilson (2005, p. 34; as cited in Hen and Yang, 2006) suggest that “strategy content: basically the “how” of strategy. This details who is involved in the process and when activities take place. It is the story, the drama and the list of players in strategy as well as the characteristics of the process itself” (p. 10).

**Strategy content:** A strategy content refers to a set of joined choices and decisions that guide a firm to the future. Its target is to make a sustainable, organised, engaging and meaningful content to link with customers (Ziriukina, 2014). The strategy content is associated with what should be incorporated in an organisational strategy. The strategy context is concerned with where a strategy will take place such as a strategy for a particular business, a market or an industry. McGee, Thomas and Wilson (2005) as cited in Ehn and Yang (2006) claim that “strategy content: basically the “what” of strategy. This means defining what strategic decisions are about and what their intension is. The content perspective also address such questions as where are we going and what is the scope of the business” (p. 10).

**Strategy context:** A strategy context refers to a set of internal and external situations which are influenced by a strategy process and strategy content. Conducting detailed industry analysis such as Porter’s Five Forces, PESTLE and SWOT can help us better understand the congruence among strategies, cultures and surroundings (Ziriukina, 2014). “The strategy context is the set of circumstances surrounding strategy making-the conditions under which both the strategy process and the strategy content are formed. It could be said that strategy context is concerned with the where of strategy – where (i.e. in which firm and which environment) the strategy process and strategy content are embedded” (De Wit& Meyer, 2004, p.420).
Type of business: business to customer (B2C) and business to business (B2B)

Business to customer (B2C) refers to a business that has a direct transaction between a firm and customers who use products or services (Möller, 2016). Similarly, Dong (2007) points out that (B2C) is known as a commercial activity of selling goods and services to end consumers. It is a business relation between a firm and its clients. On the other hand, business-to-business (B2B) refers to dealing and trading between two or more businesses rather than between firms and individual clients. It is a situation in which a business creates a profitable deal with another business (Möller, 2016). Hodgkinson (2016) explains that B2B involves commercial activities that are implemented between companies. This is opposite to business to customers or (B2C).

Corporate strategies: Corporate strategies are a roadmap for organisations to accomplish the objective and long-term strategic goals (McManners, 2014). De Wit and Meyer (2010) point out that corporate strategies aim to achieve business objectives by creating the alignment among principal, policies or plans. Hax (1996) “The corporate strategy deals with the decisions that, by the nature, should be addressed with the fullest scope encompassing the overall firm” (p. 24). According to Grundy (2003) “corporate strategy is the scope of existing business which a group is in, the intended future business (and the strategy to develop them) and the way in which the corporate centre adds value to them” (p. 26).

Overall strategic direction: Strategic direction is a pattern of actions which leads a firm to achieve its objectives. Strategic direction involves the implementation of a planned process which results in the accomplishment of corporate goals (Campbell et al., 2011). Organisational missions, visions, tactics and strategies contribute to the formulation of organisational strategic direction. In doing business, a strategic direction is recognised as a significant factor that allows workers to know the part they play in order to achieve organisational objectives and goals (Harrison & John, 2013).

Intensive strategy: Alon, Jaffe, Prange, and Vianelli (2016) explain that an intensive strategy is commonly used when a firm aims to make more improvements in its existing products. It also refers to market penetration, market development, and product development to compete with other existing services or products in the market. In other words, an intensive strategy aims to expand the share of the existing market by creating
new and many products which are more effective than existing products in the same market. Besides, an intensive strategy also aims to increase the value of products and to make the existing products more innovative in order to achieve the highest potential outcomes (David & David, 2015).

**Integrated strategy:** It is a plan or framework to help a firm be more effective during the beginning, expansion or maturity of a product. This strategy is also used to support a firm to move to the next level of accomplishment and sustainability. It is developed based on a combination of competitive strategies which focus on optimal performance in the market and non-market strategies which influence competitive environment. It is normally used in every stage of organisational development (Bischoff-Turner, 2007). An integrated strategy refers to “a strategy where companies may use any opportunities while strengthening its competitive power through strategic alliance with other parties possessing capital, market and technology access to control its competitors” (Ratnaningsih, Anwar, Suwignjo, & Wiguna, 2010, p. 29). It is a mixture of both non-market and market strategies (Frankenberger, 2006).

**Diversification strategy:** A diversification strategy is a business strategy which firms apply to get into new markets by creating new services or products to meet the needs of the new markets (Zekiri & Nedelea, 2011). Hiriyappa (2015) explains that a diversification strategy is the growth of business in the new markets. “A product diversification strategy is a form of business development. Small businesses that implement strategies can diversify their product range by modifying existing products or adding new products to the range. The strategy provides opportunities to grow the business by increasing sales to existing customers or entering new markets” (Linton, 2017).

**Declining strategy:** Generally, there are three stages of the product life cycle such as decline, maturity, and growth. Therefore, it is important that firms have to make suitable strategies in order to meet the requirements for the markets and their business environment. Besides, a decline strategy refers to a defensive strategy which is generally used when a business is in a vulnerable situation, ineffective or poor management. This strategy applies to prevent firms from negative growth due to the decreasing demands of firms’ products and economic downturn (Koponen & Arbelius, 2009). The same authors also mention that when market needs are declining, strategies
have to be adjusted as firms are unable to make any profit from their existing market shares.

2.9. Type of Market

A market structure can be differentiated by many interrelated characteristic or features. The features can be categorised by not only the number of sellers and buyers but also the level of competition and differentiation of products in the market.

**Perfect market:** Perfect markets or perfect competition is a market where many firms introduce the same products or services. Because of the competitive pressures, firms have to offer low prices and benefits will be normal. Another definition of perfect markets is where there are unlimited in the number of sellers and buyers. It is impossible for a certain firm to be distinguished in the market because other sellers or buyers will use their alternatives to pressure (Koponen & Arbelius, 2009).

**Monopolistic market:** A monopolistic market is the market where there is only a single firm offering unique services or products to the market. This market is different from the perfect market in which there are many sellers. New companies cannot enter the monopolistic market freely because of regulations, permission or governmental licenses. Therefore, in a monopolistic market, a certain firm cannot only control but also increase the prices of its products at any time when they want to, and the benefits are also increased (Xu, Zhong, & He, 2014).

**Oligopoly market:** It refers to the market where there are only a few firms controlling products or services in the entire market (Singh & Kaur, 2015). An oligopoly market is similar to a monopolistic market at some degree, but the significant difference is that there are more than one producer in this market. Similarly, in the oligopoly market, market structure is formed by a few number of companies where they have a large proportion of market shares (Li, Lam & Wong, 2009).

**Industry:** an industry can be defined as a group of firms producing goods and services for commercial purposes. It also refers to a group of enterprises providing services or products in order to satisfy similar consumer needs. An industry is business activities which include the production and manufacturing of many products or services aimed to create profits (Hill & Jones, 2007).
**Manufacturing industry:** It produces products by processing raw materials into goods which can be sold at higher prices. It refers to “the business that converts the production from the primary and extractive industry into products for consumption by other manufacturers or consumers” (Rodgers & Lucas, 2011, p. 19).

**Level of services in hotel business:** The primary target of hotel business is to offer accommodation, food, refreshment and facilities to the customers. Generally, hotels can be categorised into three types of services such as full-service, select-service and limited-service.

- **Full-service hotels:** They refers to five stars or luxury hotels. These hotels normally offer premium services to guests. Targeted guests are business executives or individuals who have high incomes. The services generally include shuttles and laundry services, full restaurants, room service, fitness, spa and other facilities. Luggage and guest belongings will be well taken care of by extra staff. Swimming pools, ballrooms, health clubs and conference rooms are also provided (Olsen & Zhao, 2008).

- **Select-service hotels:** They are mid-range service hotels which have a combination of a full-service and limited-service hotels. The concept of select-service hotels is to maintain low operating costs by offering amenities and services in moderation. Normally, these hotels do not offer expensive services or meeting space (Roger, 2007).

- **Limited-service-hotels:** They are known as budget hotels. These hotels do not have restaurants or banquet services. There is no extra staff or services which means that all guests have to carry and take care of their own bags and belongings. Swimming pools, spa or fitness centre are not provided in the hotels. Breakfast is normally provided but extra meals might be charged. Sometime, visitors have to go out for dinner (Olsen & Zhao, 2008). The budget hotels aim to serve budget-minded visitors who want to stay with lowest cost and restricted payment.

**2.10. Business Strategies for SMEs**

Most people agree that a strategy can make a significant difference between success and failures in any competitive environment. In business, it helps firms to create
competitive advantages which are crucial to outperform competitors (Wunder, 2016). Warner (2010) asserts that every business needs to have its own business strategy so that it can compete and survive in the marketplace. This is because if organisations have no business strategies, it would be extremely difficult for them to compete successfully in the markets. Business strategies can be regarded as business plans which consist of visions, missions and goals. In order to develop an effective business strategy, it is important for the organisations to observe both internal and external environment (Panwar, 2016).

However, Campbell et al. (2011) argue that a business strategy is not a fixed process or a permanent plan that an organisation can always rely on in all situations. Instead, it is a continuing process and it needs to be reviewed and adapted according to the business environment in which the organisation is functioning. Campbell et al. (2011) point out that “the purpose of strategy is either to make a business fit into its business environment or to use the resources of the business to change the rules of the game or reshape the environment” (p. 1). Besides this, the analysis of the macro and micro business environment is also important for developing a business strategy and business plan.

The three categories of strategies suggested by De Wit and Meyer can be a fundamental concept for an SME to formulate and implement an effective strategy.

According to Houston et al. (2003), the term “strategy” belongs to nobody and nobody can claim to be the owner of this term. A strategy can be described in other terms such as a plan, ploy, and pattern of behaviour, position and perspective strategy.

A strategy could be understood as a plan. This is because it includes the process of work, management and control from the start to the end (Houston et al., 2003). As a ploy, it normally refers to a short-term strategy. As a pattern of behaviour, it relates to the activities which happen due to the impact of consistent or repeated behaviour. As a position strategy, it involves how firms position themselves against their rivals in the marketplace. As a perspective strategy, it is about changing the organisational cultures and beliefs of a particular group of followers in organisations (Campbell et al., 2011).

In order to survive in the competitive business environment, it is undeniable that SMEs should have effective business strategies. James (2014) insists that SMEs could take advantage of the markets as their strategies can be informal and emergent. This means
the strategies are adjustable to the needs of customers and marketplace. Grant, Butler, Orr, and Murray (2014) point out that SMEs should apply marketing strategies to increase the loyalty of their customers. These strategies are changeable and have non-finite objectives to meet requirements in a certain period of time.

**Figure 2.7: The Dimension of a Strategy and the Purpose of an Organisation**

![Figure 2.7: The Dimension of a Strategy and the Purpose of an Organisation](image)

Source: De Wit and Meyer (2010, p. 5)

### 2.11. Challenges of Business Strategy Implementation

Due to the highly competitive market today, SMEs need competitive and effective business strategies to continuously support their current operations and organisational growth. Karami (2012) points out that although some SMEs are satisfied with their present performance and have no concern about planning an organisational expansion, many SMEs are unaware of applying appropriate strategic plans. This can be regarded as the main reasons for failures among newly-established SMEs. Therefore, Levy and Powell (2005) assert that SMEs have difficulties in running their businesses due to a lack of understanding about business strategies, business plans and effective management.

### 2.12. Conducting Environmental Scan in Small and Medium-Sized Hotels in Vientiane (the Capital of Laos)

Organisations function within internal and external environment. Environmental scan is a process of gathering information related to the trends and interrelationships between
the internal and external factors of organisations (MGS, 2016). To enhance the effectiveness of SMEs, an environmental scan needs to include both the internal and external environment. Wheelen and Hunger (2012) state that environmental scan can help organisations evaluate their external and internal environment, In addition, this practice can provide information on the possibility of investment. Chen, Shih, Shyur, and Wu (2012) maintain that environmental scan can support managers and entrepreneurs in developing an understanding of both internal and external business environment, and then it can help them to create practical and effective strategies. Furthermore, Grant (2012) explains that environmental analysis is a useful tool for examining what is happening in the current world. Apart from that, to deal with competitors and real situations in the marketplace, it is undeniable that the hotel industry or SMEs in Vientiane should conduct an environmental scan. Applying the results of an environmental scan into their business strategies can be useful for their companies. The literature does not shed enough light on the sub-research questions. Hence, this research project will explain in more detail the findings in chapter five.

2.13. Competitive advantage driven by business strategy

The aim of a strategy is to create a competitive advantage for an organisation. Besides, a competitive advantage refers to the capability of a company which has better performance than its rivals (Amason, 2011). Daft and Marcic (2012) claim that “competitive advantage refers to what sets the organisation apart from others and provides it with a distinctive edge for meeting customer or client needs in the marketplace” (p. 186). A company can have competitive advantages over its competitors when its outcome is higher than the average outcomes of all firms in the same industry (Hill & Jones, 2007). On the other hand, Daft and Marcic (2012) pointed out that “business strategy is a plan of action describes resource allocation and activities for dealing with the environment, achieving the competitive advantage, and attaining goals” (p. 186). The heart of strategy formulation is choosing how a firm will be different. Normally, business owners or managers will be the individuals who make decisions whether their firms will perform different or similar activities compared to their competitors.
2.14. Conclusion

Chapter two provided the literature related to the research aim and objectives. This emphasised strategic management and its importance to SMEs in Laos. In this regard, the literature review showed that strategic management plays a crucial role in SMEs, particularly in hotel business in Laos. This can be seen that effective strategic management relies on effective business environment analysis in which organisations are operating. Furthermore, the meaning and the importance of business analysis tools which include macro, micro business environment and SWOT analysis were clearly presented in this chapter. Although the literature review covered many significant parts of this research, there is a gap in the literature in relation to the situation when hotel entrepreneurs could not apply BAT and strategic management effectively. Thus, this research study provides lessons and practicable theories based on the findings in chapter 5 and 6 to fulfil the gap of the literature.

2.15. Chapter summary

In this chapter, the researcher reviewed the four main parts of the literature relevant to the concept, theories and practices of BAT and business strategies in the hotel industry in Vientiane. The first part of the literature review emphasised the concept and theories of SMEs, particularly in the Lao context. This part explained the meaning of SMEs is and its importance to Laos.

Next, the second part of this chapter focused on the theories and practices of strategic management. This part describes the importance of strategic management to SMEs, particularly in Laos. The third part of this chapter was about the theories and practices of business analysis tools which covered internal and external analysis. This part explained the meaning of PESTLE, Porter’s Five Forces and SWOT analysis. Then the fourth part of the literature review focused on business or organisational strategies. This part did not address only the meaning of strategies but also the types of strategies and types of businesses and markets. It also explained the relationships between strategies, SMEs and challenges.

In chapter three, the research methodology is discussed.
Chapter 3: Research Methodology

3.1. Introduction

Chapter 2 reviewed the relevant literature. This chapter discusses the research methodology used in this research project. Firstly, the research methodology and research paradigm are introduced. Then, the quantitative and qualitative approaches are discussed. Next, it explains the semi-structure interview and the reasons for using the qualitative approach in this research project. After that, the scope of this research project, the method of sample selection, data collection and data analysis are presented respectively. At the end, the ethical issues of this research are addressed.

3.2. Methodology

3.2.1. Research Methodology

Methodology refers to the methods, techniques and procedures of research design which can be used for conducting a research study. It is seen as a significant component to conduct research (Reynolds et al., 2014). McGregor and Murnane (2010) assert that the original intention of research is shaped by its methodological design. They also state that it is crucial to know the concepts of methodology when designing a research study. Based on McGregor and Murnane (2010), methodology is about theories and paradigms, and methods are about qualitative and quantitative studies. Furthermore, Ishak and Alias (2005) affirm that methodology is the fundamental theories for understanding research. It is significant that those who are conducting research studies understand the notions of paradigms. Mackenzie and Knipe (2006) explain that there are two major research paradigms, quantitative and qualitative research paradigms, which allow researchers to understand the different views of how research should be conducted.

3.2.2. Research paradigm

Due to the fact that research methodology determines a research paradigm, it is used to support researchers in setting their research blueprints and methods to effectively address their research objectives and research aims (Ng & Coakes, 2013). It is an important process for researchers to choose an appropriate research paradigm for their
research (Mark Saunders, Lewis, & Thornhill, 2012; Mark. Saunders, Lewis, & Thornhill, 2015). According to Bailey, Hennink, and Hutter (2011), there are two fundamental types of research paradigms: positivist and interpretive paradigms. The positivist paradigm is the groundwork of observational and experimental research in the qualitative research. This paradigm enables researchers to collect data without interfering the study environment. Reiners (2012) points out that “the positivist paradigm asserted that reality was ordered, rational, and logical. Consequently, positivists assumed objectivity measured knowledge and was independent of human interaction.” (para. 3).

In contrast, the interpretive paradigm is mostly used to study and survey human behaviour and how they evaluate certain events in their communities (Wimmer & Dominick, 2013). The interpretivist sees the subjectivity of social phenomena. This means that individuals can perceive and translate what they see differently (Collis & Hussey, 2013). These authors also mention that the interpretivism is normally used to study and find out a way to solve a certain problem by interpreting human perceptions in order to compare them to hypotheses. To do this, gathered data was processed and analysed by translating, describing, coding and categorising into different contents (Collis & Hussey, 2013). The interpretivism is suitable for doing research, especially in social science, business and management as their environments are frequently changing.

The researcher decided to apply the interpretive paradigm in this research project. This means that the researcher used the qualitative research method in order to meet the requirement for this research project, so the interview process was conducted to collect data from participants.

3.2.3. Quantitative and Qualitative Approaches

3.2.3.1. Quantitative research method

In the quantitative research method, data analysis is based on quantitative information or the number of data (Daniel & Sam, 2011). The quantitative research approach allows researchers to gain more benefits for their research in terms of data collection. This is because the precise outcomes of their research come from the number of data collection (Babbie & Rubin, 2008)
According to Jonker and Pennink (2010), the quantitative research approach is an important tool that many researchers utilise to support their research in order to understand particular phenomena which they are trying to understand. Bryman (2015) explains that quantitative research focuses on gathering a large amount of data by using polls, questionnaires and surveys. It is usually utilised to collect numerical data from social or physical phenomena. Quantitative researchers can apply statistical or numerical measurement to examine that statistical data and then they connect the findings to phenomena (Given, 2008;Muijs, 2010). Furthermore, Lodico, Spaulding, and Voegtle (2010) assert that there are two types of quantitative research methods: non-experimental and experimental research. The non-experimental research uses numbers to explain or identify the relationships between existing amount and their variables while the experimental research is applied to identify the cause and effect, connections or relationships.

The quantitative approach differs from the qualitative approach in many aspects. The qualitative approach concentrates on describing human characteristics and perceptions without using numerical measurement. In contrast, the quantitative approach is focused on mathematical methods to study individuals’ reality and characteristics (Thomas, 2003). Lichtman (2012) suggests that the quantitative approach often refers to the realistic aspect of the world. Moreover, the quantitative approach allows researchers to find out the causes which contribute to the acknowledgement of reality through objective research methods. However, some researchers are not satisfied with the differences between these two methods. In addition, they spend most of their time on finding the different aspects of the quantitative and qualitative approaches (Newman, 2008).

However, Cronholm and Hjalmarsson (2011) state that the quantitative approach is seen to be superficial when analysis and data come from different or irrelevant hypotheses and research description is too broad. Bryman and Bell (2015) claim that an incorrect hypothesis could lead to failed deductive research and halt all procedures.

### 3.2.3.2. Qualitative research method

Generally, in the qualitative research approach, hypotheses are not tested by researchers. Instead, they create new theories based on theories in the literature (Daniel & Sam, 2011). The interview process which involves what, when, why, and how
questions allows researchers to obtain more precise data as it is focused on understanding participants from within (Tolley et al., 2016). The authors also state that qualitative research focuses on the interactions between researchers and participants rather than fixed scripts (Tolley et al., 2016). Therefore, qualitative research is suitable in some research areas which require perceptual investigation, theory development and examination, providing justifications and revealing new phenomena (Garcia & Gluesing, 2013). Moreover, Myers (2013) adds that qualitative research is suitable when researchers want to study certain topics which have not been published or studied before. Due to the fact that the quantitative research approach is focused on short answers leading to less in-depth data, the qualitative research approach emphasises the meanings gained from conversations and messages (Cameron, 2011). In addition, the qualitative research approach can help researchers to gain in-depth information and understanding about complex phenomena through examination or analysis (Cronholm & Hjalmarsson, 2011).

Vallack (2010) explains that the qualitative research approach is more frequently used than other methods in the twentieth century because research validity depends on a particular approach. Moreover, using the qualitative research approach allows researchers to gain more capacities which the numerical method cannot accomplish. Cameron, Dwyer, Richardson, Ahmed, and Sukumaran (2013) state that although qualitative research generates less statistical data, it allows researchers to gain deep information from participants’ thoughts. Furthermore, according to Hammersley and Campbell (2012), the qualitative research approach refers to a research study which emphasises the information and words from interviews rather than quantity and number. It is also used as “an umbrella term for an array of attitudes towards and strategies for conducting inquiry that are aimed at discovering how human beings understand, experienced, interpret, and produce the social world” (Hammersley & Campbell, 2012, p. 1). Besides this, it emphasises complex information such as individuals’ attitudes or perspectives. In general, interviewing, questioning and observing participants are utilised in the qualitative research approach in order to collect data from target groups (Ritchie, Lewis, Nicholls, & Ormston, 2013). Therefore, the qualitative research is considered as a flexible method which questions are not necessarily fixed to particular answers.
However, there are some disadvantages in the qualitative approach. Cronholm and Hjalmarsson (2011) postulate that the weaknesses of the qualitative research method are that it involves a small number of research participants. As the result of this, when comparing qualitative findings to the entire population, it has some weaknesses as the findings are not broad enough to represent the entire population. Moreover, using the qualitative research approach is time-consuming because interviews often require more time and clarification to gain deep data from participants, and it also requires more time for data analysis compared to the quantitative approach. Similarly, Hirose, Itao, and Umeda (2012) agree that researchers’ interviewing skills could affect data analysis and interpretation because different knowledge and educational backgrounds could lead to different data interpretation and perceptions.

Overall, both quantitative and qualitative research approaches are recognised as useful research methods which allow researchers to complete their research projects. These research methods provide different benefits to researchers based on their research areas and expertise. However, in this research project, the researcher decided to apply the qualitative research method as a research tool to gather data because it is considered as the most suitable approach for this research project.

3.2.4. Rationale for applying the qualitative approach in this research project

To meet the aim of this research project, the researcher decided to apply the qualitative research approach for a number of reasons. Firstly, according to this research topic which will study the perceptions of hotel entrepreneurs on business strategy analysis tools in SMEs in Vientiane, most of the participants are entrepreneurs who have a sound understanding about managing their businesses. In addition, applying the qualitative research method allows the researcher not only to gain in-depth data from the participants but also to select the right hotel entrepreneurs to participate in this research project.

Secondly, using the qualitative approach will support the researcher to be more flexible to collect data through the interviews. This is because this process allows the researcher to investigate and explore the perceptions of participants in detail. Moreover, this process also ensures precise data as the participants can ask for clarification during the interviews. Myers (2013) explains that the qualitative approach could allow
researchers to investigate the perceptions of respondents and provide them with opportunities for clarification and detailed answers.

Lastly, the features of the qualitative research approach are suitable with business studies and social science, especially when a study has never been conducted or it is about a new phenomenon, and it is aimed to collect only specific and accurate data. This method allows the researcher to gain clearer data and explore the perceptions of hotel entrepreneurs effectively. Due to the quality of accuracy and reliability that the qualitative research method provides, the findings derived from this type of research are often use as a secondary information source in the literature (Becker, Bryman, & Ferguson, 2012; McNeill & Chapman, 2005). The qualitative approach was applied in data collection and data analysis while the semi-structured interview was used to support the qualitative method. The qualitative approach allowed the researcher to gain in-depth information by investigating the perceptions of hotel entrepreneurs towards business strategies and strategic management. Apart from that, the qualitative approach enabled the participants to have a clear understanding about interview questions (Braun & Clarke, 2013; Martin & Hanington, 2012). Furthermore, by providing the participants with a research overview and a list of the interview questions, they could better understand the objectives of the research leading to precise answers and validity (Mark Saunders et al., 2012).

3.3. Sample selection

The following process is the identification and selection of potential research participants. Firstly, letters were sent to 20 hotels in Vientiane to request permission to collect data from their organisations. Those that addressed their interest in the participation were placed into a simple random sampling technique, and only 10 hotels were selected for the interviews (Ott & Longnecker, 2015). This means that all hotels which agreed to participate in the research were grouped, and 10 hotel entrepreneurs were randomly selected. However, if there was no response from any potential participant based on the timeframe, then the researcher resent the letters and followed up by phone call or e-mail to request for the reconsideration of interview approval. According to Barbour (2014) “the semi-structured interview is crucial as it refers to the capacity of interviews to elicit data on perspectives of salience to respondents, rather than the researcher almost entirely dictating the direction of the encounter, as would be
the case with a more structured approach” (p.120). The author also points out that the heart of interviews includes overarching questions and specific detailed questions (Barbour, 2014). There are many advantages of a semi-structured interview in this research such as validity, insight, high response rates and in-depth information. Additionally, in the semi-structured interview, open-ended questions were used to collect data from the potential hotel entrepreneurs. To suit the nature of the semi-structured interview, questions were designed so that the researcher could collect necessary data from the potential participants.

3.4. Research Method

It is widely accepted that a research method is important for a research project. It is a vital tool for a researcher to conduct research (Adams, Khan, & Raeside, 2014). A research method primarily involves the process of data collection and analysis with the expectations to seek solutions to research problems and to meet research objectives (Mora, 2012; Sahu, 2013). Therefore, a research method consists of many analysis tools such as an experimental method and also many techniques to enhance the validity of research results (Sahu, 2013). In addition, in this research project, the researcher utilised the semi-structured interview to collect data to meet the research objectives and find the answers to the research questions.

3.4.1. Research Method: semi-structured interview

In the qualitative research approach, the semi-structured interview is used as one of many methods for data collection. The semi-structured interview uses open-ended questions and it allows interviewers and interviewees to clarify certain points during the discussion (Hancock, Ockleford, & Windridge, 1998).

Flick (2015) postulates that the semi-structured interview allows interviewees to answer interview questions openly as they desire. This means that interviewees do not have to follow the original format of interview questions. As a result, the researcher can gain more information by delving into certain issues during the interview. Willig (2013) also states that in the semi-structured interview, interviewers can encourage respondents to discuss an issue in many ways. Moreover, the data collected through this method is related to a number of data analysis processes such as interpretative phenomenology, grounded theory and discourse analysis. Therefore, in this research project, the
researcher used the semi-structured interview to collect detailed information to seek solutions to the research problems and to meet the research objectives.

3.4.2. Participant Selection

The potential participants of this research were hotel owners who managed and implemented business plans or business strategies in their hotels. These individuals were the key stakeholders in hotel management, especially in decision making on how their hotels should be guided and functioned. Ten participants were selected from different hotels in Vientiane, and it is important that the participants consented to participate in the interviews.

As this research study mainly focused on the perceptions of senior leaders in hotels, the population target for this research was the owners of the hotel business industry (HBI), in which the minority of individuals worked in these positions. Three-star hotels were the main type of hotels in Vientiane, so they could be an appropriate target group for this study. Furthermore, requesting senior managements to participate in this study could be difficult. Thus, it is justifiable that the sample size from ten organisations could provide valid findings and represent the whole perceptions of three-star hotel entrepreneurs.

3.4.3. Data collection

All data for this research project was collected in Vientiane in order to achieve the purposes of this research. Due to the fact that most Lao people use Lao language as their official language and very few of them use English as their second language, the tools of the research such as interview transcripts and questionnaires were prepared in both Lao and English.

The semi-structured interview was utilised to gather data for this research project, so the researcher interviewed the entrepreneurs of HBI. There were 10 participants from 10 three-star hotels, and these individuals could be entrepreneurs or managers of those hotels in Vientiane. The main reason that managers could be optional participants for this research project is because it was difficult to organise interviews with entrepreneurs due to the availability of their time. Generally, a three-star hotel can be defined as the hotel which includes well-furnished rooms and a medium-sized restaurant with
breakfast and dinner services (Hotels.com, 2015). The hotel rooms can be different depending on the sizes and services of those hotels.

Given the fact that the majority of hotels in Vientiane are three-star hotels with approximately 50 to 150 rooms, and they usually hire 20 to 50 staff members (Inthavong & Onphanhdala, 2015). In a similar vein, Southiseng et al. (2008) assert that a medium-sized enterprise in Laos is a firm with less than 99 employees or with the total asset less than $210,000. Therefore, three-star hotels in Vientiane are considered as SMEs and they were selected to collect data for this research project.

The following are the reasons for selecting hotel entrepreneurs or managers as the target population and ten samples for this research:

As this research mainly focuses on the perceptions of entrepreneurs, the population target for this research is the entrepreneurs of HBI, in which the minority of individuals work in this position. In addition, the majority of hotels in Vientiane are three-star hotels. Therefore, three-star hotels could be an appropriate target group for this study. Furthermore, requesting senior management to participate in this study could be difficult. Thus, it is justifiable that the sample size from ten organisations could provide valid findings and represent the whole perceptions of three-star hotel entrepreneurs and entrepreneurs.

### 3.4.3.1. Recruitment of research participants

Firstly, after receiving the research proposal and ethical approval letters from the Department of Business Networks and Unitec Ethics Committee, request letters were sent to 20 hotel entrepreneurs in Vientiane. Each request letter was attached with other documents such as an ethics approval letter, interview questions, organisational and participant consent forms. These documents were sent to the reception of each hotel in Vientiane. After the receptionists received the documents, they passed the documents on to their general managers or the owners of the hotels. Next, the general managers identified the most appropriate individuals to participate in this research, and then their hotels contacted the researcher. Finally, the researcher contacted the selected participants via mail or phone.
To provide potential participants with opportunities to participate in this study, the hotels which expressed an interest in this research were placed into a simple random sampling technique so that only ten hotels were selected for the interviews. This means that the participants who consented to participate in the research were grouped and picked randomly.

However, if there was no response from participants within a certain timeframe, the request letters were resent and the researcher followed up by phone or e-mail to request them to reconsider the participation in this study.

Apart from that, the interview location was in Vientiane which was the primary interview venue for this research project, and the duration of each interview session was one hour. However, if the interview took longer time than planned or if the participants were tired, the interviewer provided a short break during the interview. Besides, the participants could also continue their interviews on other days if they wished. The interviewer scheduled time and dates based on the convenience of the participants. The interview location and time depended on the convenience of the participants. This means that it could be held in the participants’ offices or outside office hours such as after working hours or during lunch break.

3.4.3.2. Pilot study

A pilot study is a pre-study which is conducted before a real study. Normally a pilot study is conducted on a minor scale. Teijlingen and Hundley (2001) postulate that a pilot study is a pre-testing study which is used to test the feasibility of a research method. This can include questionnaires, techniques and a sampling frame. In a similar vein, Blessing and Chakrabarti (2009) point out that a pilot study is applied to pre-test a research technique or approach in order to estimate possible problems that could affect the outcome and validity of a study project. In this research project, the researcher used a pilot study with two hotel entrepreneurs to estimate and evaluate possible mistakes or problems before arranging the interviews. Therefore, those two entrepreneurs were invited to the pilot interviews without any information or questionnaires. Then the researcher asked them for feedback on the interviews in order to improve interview techniques and questions. Finally, modifications were made based on participants’ constructive feedback to improve the official interviews.
3.5. Data analysis

The semi-structured interview in the qualitative research method was applied to collect data for this research project. The data was managed to suit text units, in a word or in a sentence (Creswell, 2013). Furthermore, the collected data was also re-read to help the researcher gain an insight into the entire database. Creswell (2013) recommends that interview transcripts should be reviewed thoroughly to gain a holistic understanding of the interviews before breaking the transcripts into smaller part. He also asserts that note taking in the note margins could be helpful in the initial process for exploring or searching database.

After the completion of data collection, the data was checked and translated into English before moving to the data entry process. Then, the data was placed into coding and memorising processes. Coding involves categorising and labelling the segments of data with words, numbers or phrases which can be seen as short phrases or names. Marshall and Rossman (2014) explain that when data is collected in an interview, coding is the most appropriate process. Coding is the procedure of managing data by using written words to categorise the themes of data in the margins (Creswell, 2014).

Besides, Alhojailan (2012) asserts that thematic analysis is a qualitative analysis method which helps identify, analyse and report themes or patterns within data. The author also points out that by applying thematic analysis, it helps researchers understand a particular issue more broadly. Interestingly, thematic analysis is flexible and allows the researcher to find answers to any kind of questions (Braun & Clarke, 2013). To employ this type of approach, it is necessary to create codes and categorise themes from the set data (Alhojailan, 2012).

Moreover, a memoing technique was utilised in this research project. Greonewald (2008) states that memoing allows researchers not only to record but also to reflect their ideas about different coding categories and the connections between each theme of the data. He also asserts that there are two levels of memoing: the textual level and the conceptual level. The textual level is the step of taking emergent ideas when the data is reviewed, and the conceptual level is formulated theories based on concept and data themes (Greonewald, 2008). Therefore, the thematic analysis approach involves coding and memoing which was applied to analyse the data of this research project.
To sum up, the following are the steps for data analysis which the researcher applied in this research project.

First, the interviews were recorded to collect the data. Then the interviews were translated and transcribed into English. Next, the interview transcripts were sent to the respondents to ensure the accuracy of transcription. Secondly, raw data was summarised and classified into patterns or themes according to the research objectives and questions. Then codes were assigned to themes, and the researcher analysed data and re-identified the names of the participants and organisations. For example, HM1, HM2, HM3 to HM10 were the codes used to represent hotel entrepreneurs 1 to 10. Thirdly, all themes and codes were carefully checked for their logic, appropriateness and accuracy. If any codes and themes were not correct, they were rearranged or readjusted to ensure correct information and validity of the research results. Finally, the research report was written based on analytical data collected from the aforementioned steps. Findings were used to compare, analyse and advance discussions and arguments. At this stage, the hypotheses were tested according to the actual findings and literature review. Then, a final conclusion was made.

### 3.6. Validity of results

Validity refers to the quality of truthfulness and credibility of research results.Validity can be regarded as the standard of research which researchers apply to ensure the quality of their research (Gravetter & Forzano, 2012). It is concerned with the truth of research based on the accuracy level of studies or the quality of measurement (Drost, 2011; Golafshani, 2003). Pitney and Parker (2009) assert that the validity of research results represents the accuracy level of findings in comparison to real events and what interviewees truly mean regarding their perceptions on certain phenomena.

The following are the steps that the researcher applied to ensure the validity of this research:

Firstly, to ensure the number of samples met the requirements for this research study, the request letters were sent to potential participants which were categorised and selected for this research project.

The researcher was the person who distributed the letters which included all relevant documents such as letters of request, interview questions, ethics approval, information
for participants and organisational consent forms. However, potential participants needed to be only hotel entrepreneurs who were involved in the business strategies and business plans of their hotels.

Secondly, the researcher developed interview questions to ensure that they were rational, clear and easy to understand. Therefore, the interview questions needed to be checked by the learning centre of the researcher’s educational institution, and a pilot study needed to be conducted before the actual interviews. Besides, constructive feedback from the pilot study was also used to develop the techniques and questions for the interviews.

Thirdly, to ensure that the participants truly understood the purposes of this research study, documents provided to the participants and organisations needed to be approved and translated into both Lao and English. Importantly, during the interview process, a recorder was used to record the interviews. By using the recorder, it allowed the researcher to transcribe the interview data correctly and to ensure that the data came from the interviewees rather than the interviewer.

Fourthly, to ensure that this study was free from biases, the researcher used information from many sources such as journal articles, academic studies, published books and governmental documents which were related to this research project.

Finally, before the start of each interview, a consent form was given to each participant, and they were asked to sign the forms to ensure that they agreed to participate in this research study. Then, the researcher conducted each interview carefully by using common and simple words during the conversations to make the researcher and respondents feel comfortable. The researcher kindly provided the details related to the research questions and objectives when the respondents required more information or clarification. This allowed the researcher to gain accurate information from the respondents. Moreover, the interviewer respected the interviewees’ opinions by focusing on their responses and reactions.

3.7. Ethical consideration

To meet the objectives of this research project, it is crucial that ethical issues were well acknowledged. Oliver (2010) asserts that ethical issues need to be considered at an initial stage because research might cause harm, anxiety, pain, or negative emotions to
participants. Thus, to avoid negative consequences, it is important to advise potential participants about the scope of the study so that they have opportunities to consider various aspects of the study before agreeing to participate in the research. Furthermore, the researcher requested permission from potential hotel owners before conducting interviews.

Official request letters, information sheets and organisational consent forms based on Unitec Research Ethics Committee (UREC) were prepared and sent to 20 hotels to request permission for interviews. Then after collecting the list of the hotels which were interested in this study, the researcher randomly selected 10 hotels on the list. Before each interview session, a participant consent form was sent to each participant.

This research project strictly followed UREC rules and guidelines. For instance, data collection was not implemented until UREC approval was granted (UREC, 2009). This research project was conducted in Laos where there are numerous ethnic minorities. Therefore, to avoid ethical issues, the researcher was aware of ethnic minorities and potential negative consequences. This means the researcher avoided any comment which could cause ethical problems with certain ethnic groups. This research focused on “the perceptions of hotel entrepreneurs towards business strategy tools for maximising competitive advantages for hotel business in Vientiane”. The researcher emphasised the rights of participants and their privacy based on the confidentiality law to ensure no harm, offences and suffering in this research project.

3.8. Conclusion

This research study was conducted with the consideration of ethical issues in order to ensure that there was no harm or serious problems in data collection process. The semi-structured interview was used as the primary approach for gathering data. In order to enhance the clarity of the interview questions and avoid problems or mistakes that might happen while gathering data, the pilot study was conducted before actual interviews. In the data collection process, Lao language was used as the primary language and English as a second language or optional language to conduct the interviews. In the data analysis process, translation from Lao into English was conducted before the data entry process. The text coding which involves categorising and labelling was also used.
Furthermore, the thematic analysis approach including coding and memoing was applied.

3.9. Chapter Summary

This chapter discussed the research methodology applied in this study. First, the researcher provided reasons why the interpretive paradigm and qualitative approach were used as the research tools in this research study. Then the semi-structure interview was selected to gain in-depth information from ten respondents. This sample size was considered as the suitable number for this research study. Finally, the sample selection process, data analysis, validity of results and ethical issues were explained. The next chapter, chapter 4 discusses the findings.
Chapter 4: Findings

4.1. Introduction

The summary of findings based on the semi-structured interview method was presented in this chapter. The interview data was collected from 10 entrepreneurs in Vientiane with the expectation to explore the perceptions of entrepreneurs regarding the usage of business strategy analysis tools and their relationships to the organisational performance and competitive advantage of the hotel industry in Vientiane. In order to explore these perceptions, 15 main questions were asked and sub-questions were also included to collect detailed information from them. As a result of this, the collected data can reflect the research objectives and research aims allowing the researcher to formulate the themes and to conduct data analysis in the following chapter.

4.2. The interview result and findings

The participants’ identification was de-identified based on the ethical considerations of the participants’ identities. To do this, specific codes were used in order to protect the confidentiality of the participants. Codes were used with all ten entrepreneurs who came from ten different hotels in Vientiane, and the codes were demonstrated such as EN1, EN2, EN3… and EN10. The codes from EN1 to EN10 refer to the number of each hotel entrepreneur starting from 1 to 10 respectively. Participants were not categorised into groups because there is only one participant from each hotel in this research project. In addition, all interviewees could represent the overall perceptions of hotel entrepreneurs in Vientiane. Therefore, the graph of coding of all participants can be seen as follows:
4.2.1. Identifying the level of familiarity of hotel entrepreneurs towards the use of business environment analysis tools in the hotel industry in Vientiane

The first question is used to explore the general understanding of the business environment analysis tools of hotel owners:

**Are you familiar with the term “business environment analysis tools”?**

The purpose of this question was to address the first objective of the research and to answer sub-research question one. This question allowed the researcher to examine the general understanding and knowledge of the hotel entrepreneurs about business strategy analysis tools (BAT). By doing so, the researcher could evaluate the level of understanding, knowledge and awareness of the hotel entrepreneurs on BAT and notice whether they are familiar with the term business environment analysis tools.

According to the responses of ten participants, it can be seen that not all of the hotel entrepreneurs were familiar with the term “business environment analysis tools”. There were only 6 out of 10 entrepreneurs who had a good understanding of the term and its significance. While 6 ENs could explain the importance of using BAT and its relationship to business plan formulation, the other 4 ENs never came across this term and they could not explain its meaning and importance to their organisations. The findings are demonstrated as follows:

**For those ENs who were familiar with BAT, they explained that**

*As a hotel manager, I have to create a business plan for the hotel as a part of my role. My business plan often relies on business environmental analysis which always includes internal and external business environment. While the external factor is the factor that we could not control, we can control and manage the internal factor. This could help me make an effective and tangible plan to present to the hotel owner (EN2), (EN7) and (EN3).*

*Before making any business plan, of course, we have to analyse the business environment where we are operating in order to make an effective business plan. It is very crucial to analyse both internal and external business environment. I normally apply BAT at an initial stage to make my business plan (EN1), (EN8) and (EN9).*
For those ENs who were not familiar with BAT, they asserted that

I have never heard about BAT before, and this is the first time that I come across this term. I also never used BAT to analyse or plan my business (EN4, EN5, EN6 and EN10).

Figure 4.1: Familiarity of entrepreneurs about business environment analysis tools (n=10)

Table 4.1: Breakdown by respondents’ levels of familiarity with the term “business environment analysis tools”

<table>
<thead>
<tr>
<th>Managers/Entrepreneurs</th>
<th>High</th>
<th>Moderate</th>
<th>Low</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN2</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN3</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN4</td>
<td></td>
<td></td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN5</td>
<td></td>
<td></td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN6</td>
<td></td>
<td></td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN7</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN8</td>
<td></td>
<td></td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN9</td>
<td></td>
<td></td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN10</td>
<td></td>
<td></td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>Total by percentage (n=10)</td>
<td>30%</td>
<td>10%</td>
<td>20%</td>
<td>40%</td>
</tr>
</tbody>
</table>
Have you applied PESTLE and Porter’s Five Forces?

This question was used to find out the number of hotels using PESTLE and Porter’s Five Forces. This question allowed the researcher to understand when PESTLE and Porter’s Five Forces were used and how they were practised in hotel business in Vientiane. Moreover, by asking this question, the researcher can evaluate entrepreneurs’ perceptions towards the significance of business analytical tools, and its relationship to the success of their hotel businesses.

For those ENs who applied BAT (PESTLE and Porter’s Five Forces) explained:

I think it is important to use PESTLE and Porter’s Five Forces in hotel business, especially in hotel SMEs in Vientiane. If entrepreneurs could apply PESTLE and Porter’s Five Forces, it could help their hotel businesses to grow (EN1).

According to my understanding and experience, we conduct BAT which includes PESTLE and Porter’s Five Forces at an initial stage of our business operations. This is because BAT could help us make a correct business plan and guide our business to the right direction. Without these analytical tools, we could not know where our business will go and it is impossible to set the right business theme for our hotels (EN3) and (EN9).

For those ENs who did not use PESTLE and Porter’s Five Forces claimed that:

In spite of my education in hospitality and services, I have never learnt about business administration or management, and I have never applied any BAT in designing or planning my business (EN2).

It is a method that we use to analyse the environment of business. However, I do not think it is important to use BAT in my business. This is because as an SME, I consider my business as a family business. I think BAT is suitable for a big company or foreign investment. As a hotel business, I think we do not need this kind of analysis. We can create our business plan based on the existing marketplace such as high or low tourist seasons or national festivals (EN5).

I think business environment is important, but I have used neither PESTLE nor Porter's Five Forces. Our hotel only focuses on some factors such as policies or social factors, and we do not conduct all environmental analysis (EN2), (EN6), and (EN10).
Even though I do not fully understand PESTLE, I partially use some analysis methods. However, it is not directly related to PESTLE. We are not concerned about this kind of analysis at all. Some of our analysis methods might be similar to PESTLE, and we are not even aware of this term and this analysis method. (EN4, and EN6).

Figure 4.2: The hotels in Vientiane which use BAT (PESTLE and Porter’s Five Force) analysis (n=10)

Table 4.2: Breakdown by respondents who use BAT (PESTLE and Porter's Five Force) in their hotels in Vientiane

<table>
<thead>
<tr>
<th>Managers/Entrepreneurs</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN1</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN2</td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>EN3</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN4</td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>EN5</td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>EN6</td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>EN7</td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>EN8</td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>EN9</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN10</td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>Total by percentage (n=10)</td>
<td>30%</td>
<td>70%</td>
</tr>
</tbody>
</table>
4.2.2. Investigating the perceptions of hotel entrepreneurs on the use of SWOT analysis in hotel business in Vientiane

**Do you use SWOT analysis in your business?**

This question was used to address research objective two and to answer sub-research question two. The purpose of this question was to examine whether it was important to apply SWOT analysis in hotel business. Moreover, the researcher could use this question to explore the perceptions of participants on SWOT analysis if it was applied in their hotels.

There were seven out of ten participants who used SWOT analysis to plan their hotel businesses. These respondents thought that using SWOT was crucial, and it was used as a basic tool to create a business plan. Other three respondents agreed that they came across the SWOT analysis method but they did not apply it fully to design their business plans.

Yes, I use **SWOT analysis to design my hotel business plan and I think it is a basic analysis tool for every business. We analyse our strength, weakness and so on… (EN1), (EN2), (EN3), (EN6), (EN7), (EN8), and (EN9).**

*I heard this term before when I attended hospitality workshops or seminars. However, we do not use SWOT analysis to plan our hotel business (EN4), (EN5), and (EN10).**

**Figure 4.3: Hotels in Vientiane use SWOT analysis**
Table 4.3: Breakdown by respondents who use SWOT analysis (n=10)

<table>
<thead>
<tr>
<th>Managers/Entrepreneurs</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN1</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN2</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN3</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN4</td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>EN5</td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>EN6</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN7</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN8</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN9</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN10</td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>Total by percentage (n=10)</td>
<td>70%</td>
<td>30%</td>
</tr>
</tbody>
</table>

**What is your perception of using SWOT analysis in your business?**

This question allowed the researcher to explore the perceptions and awareness of the interviewees towards the importance of SWOT analysis and how well they knew the meaning and significance of this analysis method. This question helped the researcher evaluate the participants’ perceptions and then evaluate if they were familiar with this term or if they needed more explanation.

I think SWOT analysis is an important tool, especially when we want to improve our business performance. If we do not use this tool, we could not design a good business plan (EN1), (EN2), (EN3), (EN6), (EN7), (EN8), and (EN9).

I consider my hotel business as a family business, so I do not think that I need this type of analysis tool. This is because I am not aiming to compete with foreign investments, and our business is quite small, so it is not important for us to use SWOT analysis (EN4), (EN5), and (EN10).

4.2.3. Identifying the key benefits and challenges that business analysis tools provide to the hotel industry in Vientiane.

**Do you think business analysis tools provide benefits to your business?**

This is the opening question for extracting the third objective of this research project.
From the interviews, the majority of the participants agree that the business analysis tools can provide benefits for their businesses. However, some of them do not have any knowledge about BAT, and they have never applied BAT.

**What are the key benefits that business analysis tools provide to your business?**

The objective of this question is to examine the entrepreneurs' perspectives on BAT and the outcomes that the entrepreneurs and organisations could have through the use of BAT. Moreover, the researcher could explore more about organisational benefits when BAT is practised. Therefore, this question could provide significant information for existing hotel entrepreneurs, particularly in Vientiane, to recognise the benefits which they could make.

- **Design business plans**
  
  I think BAT brings a lot of benefits to our business. It helps to analyse the environment of our business in order to design effective business plans. We can't design our business plan without BAT (EN5), (EN7), (EN9), and (EN10). I think it is essential to apply BAT for planning a business. I am positive that you cannot do business without analysing the business environment around your company. You have to apply it as it is a very important tool. For example, if you do not know how to swim but you go swimming, you will die (EN2), and (EN3).

- **Identify the right business direction**
  
  I think that BAT plays a crucial role in every organisation. Due to the fact that when firms apply BAT to make business plans, it can guide them on the right direction (EN7), and (EN9).

- **Maintain competitiveness**
  
  Yes, it brought a lot of benefits to the hotel business. This is because every single business needs to analyse its business environment in order to stay competitive (EN3), (EN5), (EN7), and (EN10).

- **No response from the respondents**
  
  Due to the fact that I do not have any knowledge about BAT and I have never applied BAT in my business, I could not tell what or how many benefits it could create for my hotel (EN1), (EN4), and (EN6).

As this research study applied the qualitative research approach and open-ended questions, the respondents were able to identify more than one benefits (some hotel
entrepreneurs mentioned more than one benefit variable). As a result of this, the total percentage of the responses is greater than 100% in this research question. (See figure 4.4 and table 4.4 below)

**Figure 4.4: Key benefits of BAT for hotel business in Vientiane**

![Diagram showing key benefits of BAT for hotel business in Vientiane]

**Table 4.4: Breakdown by respondents’ perceptions of the key benefits of BAT in hotel business in Vientiane**

<table>
<thead>
<tr>
<th>Managers/Entrepreneurs</th>
<th>Design business plans</th>
<th>Maintain competitiveness</th>
<th>Identify the right business direction</th>
<th>No response from respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN1</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN2</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN3</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN4</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN5</td>
<td>*</td>
<td>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN6</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN7</td>
<td>*</td>
<td>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN8</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN9</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN10</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total by percentage</strong> (n=10)</td>
<td>60%</td>
<td>20%</td>
<td>20%</td>
<td>30%</td>
</tr>
</tbody>
</table>
**What are the challenges that hinder your business from employing the business analysis tool?**

This question was created to identify the challenges of using BAT in hotel business. The researcher can also use this question to investigate the challenges that hinder hotel entrepreneurs from using BAT in their hotels and how they can deal with those challenges.

- **Lack of skilful staff**
  
  *The key challenge of these tools is about a lack of skilful staff. Thus it does not matter what we are using or implementing as our human resources still lack knowledge (EN1), (EN3), (EN4), (EN5), (EN7), and (EN8).*

- **Lack of knowledge/understanding**
  
  *It is about an understanding of BAT application. Some theories or tools can be used effectively if we truly understand their functions (EN9), and (EN10).*

- **Limited access to information**
  
  *It is quite hard to apply them all. To access information, it needs more time and process to do and collect data, especially the information related to the government agencies. It is hard to ask for a permission to collect or obtain the information from them (EN2), and (EN6).*

- **Lack of concern about business plans**
  
  *Although we design a business plan, most of our employees are not concerned about the plan (EN1).*

- **Unable to retain competent staff**
  
  *We spent a lot of time on teaching our staff about this knowledge. When they gained the skills, they moved to other companies, and we had to train new staff (EN7), and (EN8).*
Figure 4.5: Challenges hindering the application of BAT in hotel business in Vientiane

Table 4.5: Breakdown by respondents’ opinions on the challenges hindering the application of BAT in hotel business in Vientiane

<table>
<thead>
<tr>
<th>Managers/Entrepreneurs</th>
<th>Lack of skilful staff</th>
<th>Lack of knowledge/understanding</th>
<th>Limited access to information</th>
<th>Lack of concern about business plans</th>
<th>Unable to retain competent staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN1</td>
<td>*</td>
<td></td>
<td>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN2</td>
<td></td>
<td>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN3</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN4</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN5</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN6</td>
<td></td>
<td>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN7</td>
<td>*</td>
<td></td>
<td></td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN8</td>
<td>*</td>
<td></td>
<td>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN9</td>
<td></td>
<td></td>
<td></td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total by percentage</td>
<td>60%</td>
<td>20%</td>
<td>20%</td>
<td>10%</td>
<td>20%</td>
</tr>
</tbody>
</table>

(n=10)
4.2.4. Investigating the perceptions of hotel entrepreneurs towards the interrelationships of strategic management and its benefits for hotel business in Vientiane

In order to find out answers for the fourth research question and address the fourth research objective, this set of questions was asked.

**Do you think strategic management provides benefits to your business?**

This question was the opening question to identify the opinions of respondents on strategic management if it could contribute to the benefits of their hotel businesses.

From the interviews, all participants agreed that strategic management provided benefits for their hotels. They highlighted that the benefits were related to effective strategic plans that they could follow and to achieve their business goals.

**What are the key benefits that strategic management provide to your business?**

This question helped the researcher focus on investigating the perceptions of participants on business strategic management if it could contribute benefits to their hotels. The answers of this question also supported the researcher in responding to the fifth objective of this research.

- **Increase profitability**
  
  *I think strategic management makes this hotel more profitable by increasing customers and helping business to run effectively (EN4), (EN5), (EN9), and (EN10). Strategic management could help our business to increase customers. We operate our hotel with confidence that we have an effective plan for our business to thrive (EN6).*

- **Enhance organisational effectiveness**
  
  *It helps our hotel create more benefits in terms of organisational operation such as budgeting and cost management. It helps to improve our performance and also help our staff to deal with unexpected situations (EN1), (EN4), (EN5), and (EN7).

  Strategic management takes care of our business operations. It ensures that business activities are following the plan that we have already set up and everything will go as planned (EN7), and (EN9).*
- **Goal achievement**
  
  *It could make our business goal achievable (EN2), (EN3), (EN6), and (EN8)*

- **Survival of the company**
  
  *When there was an economic recession, many hotels collapsed but my businesses could survive. One reason was the use of strategic management. (EN3), and (EN8)*

- **Competitiveness**
  
  *I think strategic management is quite important for doing business because it could generate competitiveness in our hotel. I could compare my hotel business to other competitive hotels. This is because if we perform better, we can compete with our competitors (EN1), (EN2), (EN3), (EN4), and (EN9).*

---

**Figure 4.6: Key benefits that strategic management provides to hotel business in Vientiane**
Table 4.6: Breakdown by respondents’ opinions on the key benefits that strategic management provides to hotel business in Vientiane

<table>
<thead>
<tr>
<th>Managers/Entrepreneurs</th>
<th>Increase profitability</th>
<th>Enhance organisational effectiveness</th>
<th>Goal achievement</th>
<th>Survival of the company</th>
<th>Competitiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN1</td>
<td></td>
<td>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN4</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN5</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN8</td>
<td></td>
<td></td>
<td></td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN9</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total by percentage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(n=10)</td>
<td>50%</td>
<td>50%</td>
<td>40%</td>
<td>20%</td>
<td>50%</td>
</tr>
</tbody>
</table>

4.2.5. Exploring the challenges of the application of strategic management in the hotel industry in Vientiane

What are the challenges that hinder your business from using business strategic management?

This question was used to study the perceptions of participants towards the difficulties of applying strategic management in the hotel business. The findings from this question could lead to the answers of research question five.

- Lack of concern over strategic management from employees
  Our staff still lack awareness of strategic management. Sometimes they do not focus on a plan although we have a strategic plan for them. This means that even though we have a good plan, it will be difficult for our staff members to follow the plan without controlling or monitoring it (EN1), (EN4), (EN5), and (EN7).

- Lack of qualified employees
  I think the main challenge is the lack of qualified human resources who have the right skill sets and experience in hospitality to manage the hotel. Hospitality education and training in Laos is still insufficient in both quality and quantity. It would
be good if the hospitality institution can provide talented people to serve the hotel industry (EN2), (EN3), (EN6), (EN8), (EN9) and (EN10).

**Figure 4.7: Key challenges of the application of strategic management in the hotel industry in Vientiane (n=10)**

![Graph showing key challenges](image)

**Table 4.7: Breakdown by respondents’ comments on the key challenges of the application of strategic management in the hotel industry in Vientiane**

<table>
<thead>
<tr>
<th>Managers/Entrepreneurs</th>
<th>Lack of concern with strategic management from employees</th>
<th>Lack of qualified employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN1</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN2</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN3</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN4</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN5</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN6</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN7</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN8</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN9</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN10</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Total by percentage (n=10)</td>
<td>40%</td>
<td>60%</td>
</tr>
</tbody>
</table>

**4.2.6. Investigating the perceptions of hotel entrepreneurs towards the design of business strategy in hotel business in Vientiane**

**Does business strategy important to your business?**

This question allowed the researcher to answer the sixth objective of this research project whether it was necessary to have business strategies in organisations, particularly in hotel business. By doing so, the researcher could describe the
participants’ perspectives on business strategies and how they are important to their organisations.

A business strategy is important for our hotel business because it guides our business forward to the right direction. Without a business strategy, it is hard to guide our business and achieve our goals (EN3), (EN4), (EN5), and (EN6).

However, the rest of the participants tended to perceive their businesses as small business or family business, and they were not so concerned about business strategies (EN1), (EN2), (EN7), (EN8), (EN9), and (EN10).

Figure 4.8: Managers/Entrepreneurs perceived business strategy to be important for their businesses

Table 4.8: Breakdown by respondents’ perceptions on the importance of business strategy to their businesses

<table>
<thead>
<tr>
<th>Managers/Entrepreneurs</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN1</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN2</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN3</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN4</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN5</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN6</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN7</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN8</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN9</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN10</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Total by percentage (n=10)</td>
<td>40%</td>
<td>60%</td>
</tr>
</tbody>
</table>
What factors do you refer to when designing your business strategy?

This question allowed the researcher to investigate how the hotel entrepreneurs designed strategies for their businesses.

- **Past experience**
  
  *We can say that all plans are based on our understanding and experience of doing business. We do not actually have a concrete business strategy. We tend to run our hotel business based on the lesson learnt and past experience (EN5), and (EN6).*

- **Market situation**
  
  *Our business strategy is based on what we can see from the market situation whether it is growing or decreasing. We create our business strategy based on basic information such as location and social factors. We focus on current situations rather than the future. We emphasise day-to-day services more than others. (EN2), (EN3), (EN4), (EN7), (EN8), and (EN9).*

- **Decision from family**
  
  *I design a business strategy based on the discussion with my family. Since this hotel is a family business, we tend to rely on contributions from the family members. This includes labour and ideas for a business plan (EN1), and (EN10).*

**Figure 4.9:** Factors that a hotel entrepreneur referred to when designing a hotel business strategy
Table 4.9: Breakdown by respondents’ comments on the factors which influence the design of a hotel business strategy

<table>
<thead>
<tr>
<th>Managers/Entrepreneurs</th>
<th>Past experience</th>
<th>Market situation</th>
<th>Decision from family</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN1</td>
<td></td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>EN2</td>
<td></td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN3</td>
<td></td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN5</td>
<td>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN6</td>
<td>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN7</td>
<td></td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN8</td>
<td></td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>EN9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN10</td>
<td></td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>Total by percentage (n=10)</td>
<td>20%</td>
<td>60%</td>
<td>20%</td>
</tr>
</tbody>
</table>

4.3. Conclusion

In conclusion, the findings indicated that the majority of the hotel entrepreneurs were familiar with BAT. However, some of the entrepreneurs had never come across this term, and they could not explain its meaning and importance to their organisations. With regard to PESTLE and Porter’s Five Forces, it is clear that the majority of hotel entrepreneurs did not use these analytical tools. However, the majority of entrepreneurs applied SWOT analysis in their businesses. The finding also indicated that the main challenge that hindered them from applying BAT and strategic management was a lack of skilled employees. Noticeably, the majority of entrepreneurs did not have a business strategy for their businesses. These entrepreneurs saw their hotels as family business. Thus, they did not need a business strategy.

4.4. Chapter summary

This chapter reported the findings from the semi-structured interviews in accordance with the study of business strategies applied by SME entrepreneurs in the hotel business in Vientiane. The findings were demonstrated based on six main research objectives which can be highlighted as follow:
1. Familiarity of the hotel entrepreneurs on the use of BAT in the hotel business in Vientiane: According to the findings, 60% of the respondents were familiar with the term “business environment analysis tools” (BAT). In these findings, 30% of them had a high level of familiarity whereas 10% and 20% of them had moderate and low levels of familiarity respectively. However, 40% of all participants never heard this term before. With regard to PESTLE and Porter’s Five Forces, 30% of the participants used these tools while 70% of the participants did not use them.

2. Perceptions of the participants on the use of SWOT analysis in the hotel business in Vientiane: Overall, it can be seen that hotels in Vientiane largely used SWOT analysis. The findings indicated that 70% of them applied SWOT analysis in their business plans whilst 30% failed to do that. In addition, the participants thought that SWOT analysis was an important tool to design an annual business plan. It can be used to improve hotel business performance. With regard to the entrepreneurs’ perceptions of using SWOT in the hotel business, the findings showed that 70% of the participants suggested that SWOT was an important analysis tool for hotel business. However, the rest of the participants was not concerned about applying SWOT analysis and its significance.

3. Key benefits and challenges that the hotel entrepreneurs could have when BAT is applied in their hotel businesses: In relation to the benefits, the participants generally agreed that BAT could provide benefits to their organisations. They highlighted that BAT was generally applied to (1) design a business plan; (2) help their businesses move on the right direction; and (3) stay competitive. 60%, 20% and 20% of the respondents made these comments respectively.

   With regard to the challenges that hindered the application of BAT, it was found that the main challenge was the lack of skilful staff, dominated by 60% of the answers from the respondents. Others challenges concerned an inability to retain competent staff, a lack of concern about business plans, limited access to information and a lack of knowledge about BAT. These challenges were rated as 20%, 20%, 20% and 10% of the total answers respectively.

4. Perceptions of hotel entrepreneurs towards the interrelationships of strategic management and its benefits: The top three key benefits included increased profitability, enhanced organisational effectiveness and competitiveness. These
benefits contributed to 50% of all the responses. Besides, 40% of the respondents linked it to goal achievement while 20% of them addressed organisational survival as another benefit.

5. Challenges that hinder hotel entrepreneurs from applying strategic management in hotel business: From the findings, 40% of the respondents agreed that the challenge was due to a lack of concern over strategic management from employees since they could not employ strategic management in their hotels effectively. Moreover, 60% of the respondents mentioned that the main challenge involved a lack of qualified employees or human resources.

6. Design of business strategies in the hotel business: The findings indicated that 40% of the hotel managers and entrepreneurs in Laos recognised the importance of business strategies, and they thought it could help their businesses to stay on the right track and to manage performance effectively. However, 60% of the respondents tended to perceive their businesses as small business or family business, so they were not concerned about business strategies. In relation the design of business strategies, there are three main factors that hotel entrepreneurs referred to as follows: 60% of the respondents referred to the market situation; 20% of them referred to their past experience; and 20% of them referred to decision making in their families.

The following chapter is the discussion chapter.
Chapter 5: Discussion

5.1. Introduction

In chapter 4, the findings were discussed. This chapter discusses the findings and explains the relationships between the findings and literature review which was discussed in chapter two. The structure of this chapter is based on the six objectives of this research project and sub-research questions. The themes emerged from the findings are critically discussed to respond to the research questions and research objectives.

5.2. Discussion of the interviews

5.2.1. The level of familiarity of hotel entrepreneurs towards the use of business analysis tools in the hotel industry in Vientiane.

The aim of this project is to explore the perceptions of hotel entrepreneurs towards the use of business environmental analysis tools (BAT) in SMEs, particularly in hotel business in Vientiane. Before investigating the awareness of the respondents, the researcher asked whether the participants had heard the term “BAT”. This investigation also covered different kinds of business environmental analysis or the application of BAT by entrepreneurs in hotel business in Vientiane.

By studying the entrepreneurs’ perceptions, the researcher emphasised their levels of understanding about business environmental analysis tools (BAT). Thus the following question was formed to investigate the participants’ perceptions if they had ever heard the term “business environment analysis tools” or BAT.

Are you familiar with the term “business environment analysis tools” (BAT)?

According to the interviews, six out of ten respondents, or 60% of all respondents, were familiar with the term “BAT”. These respondents explained that they understood BAT and its relationships to business plan formulation. Based on this finding, it can be concluded that the majority of the hotel entrepreneurs were aware of BAT and its significance. This finding also indicated that more than half of respondents understood the significance of BAT and its usage. They regarded BAT as a useful technique which could be used to shape organisational strategies to meet the objectives and goals of
organisations. In addition, this finding can be supported by the study of Babatunde and Adebisi (2012) which explains that the business environment scan can describe and analyse the external and internal environment, and it can guide firms on the right direction. External business environment analysis allows managers and business owners to make effective business plans and respond to unpredicted changes which could impact their firms.

On the other hand, according to the information from the interviews, it was found that 40% of the respondents did not understand the meaning of BAT and they had never used BAT to formulate any business plans. This can be concluded that almost half (40%) of the hotel entrepreneurs in Vientiane could not create their business plans effectively because they did not have any knowledge and awareness of BAT. As a result of this, it could be a question whether hotel entrepreneurs may not succeed with analysing the hotel business environment. As Wheelen and Hunger (2012) argue that business analysis tools which include both an inside and outside business environment scan is generally conducted to increase the profitability of organisations. Harrison and John (2013) insist that BAT allows entrepreneurs to determine and understand business trends, threats and opportunities in order to design suitable business strategies and groundwork for strategic direction. They also explain that external environmental changes are crucial which could make a huge impact on not only a certain firm but also the entire industry (Houston et al., 2003).

**Have you applied PESTLE and Porter’s Five Forces?**

Based on the findings, the research found that only 30% of hotel entrepreneurs applied PESTLE and Porter’s Five Forces in their organisations. In addition, it is clear that there was a lack of knowledge and understanding about PESTLE and Porter’s Five Forces among hotel entrepreneurs in Laos. The results show that hotel entrepreneurs in Laos were not familiar with PESTLE and Porter’s Five Forces, and the majority of them did not use these tools for business environment analyses. A study on business strategies by Harrison and John (2013) shows that the analysis of external business environment allows business owners to gain insight and determine business opportunities, trends and threats in order to formulate appropriate business plans. To link it to the literature, the result of the study is positive although only a small number is positively found. It can be concluded that with a minimal use of PESTLE and Porter’s Five Forces, the hotel
business in Laos is running ineffectively due to the lack of insight about the business trends, environmental analysis and business plans.

Moreover, the main aim of PESTLE analysis is to detect unavoidable changes in the economy which could make a huge impact on the current and future performance of organisations (Feys & Probert, 2015). Many studies show that while PESTLE or macro business environmental analysis is recognised as a useful business analysis tool which is used to evaluate the external business climate so that appropriate actions can be taken and proper business plans can be made (Yüksel, 2012). Besides, Porter’s Five Forces can be used to measure competitive situations among others firms in the same market (Grant, 2016).

However, the findings indicated that the majority (70%) of the respondents did not fully understand PESTLE and Porter’s Five Forces. They explained that these business analytical tools were not appropriate for their businesses because it was a very complicated method to use. Due to the fact that these respondents viewed their hotel businesses as family business, they could make business plans without using BAT. From this point of view, it can be concluded that these participants were not concerned about the importance of business analysis tools and its relationships to organisational strategies. Therefore, the hotel entrepreneurs in Vientiane might not make effective business plans for their hotel businesses because they did not apply either PESTLE or Porter’s Five Forces in their organisations. Through these findings, the sub research question one and research objective one have been addressed.

5.2.2. The perceptions of hotel entrepreneurs on the use of Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis in the hotel industry in Vientiane

Do you use SWOT analysis in your business?

Another focus of this research project is to investigate the hotel entrepreneurs’ perceptions towards SWOT analysis. From the findings, the majority of hotel entrepreneurs (70%) applied SWOT analysis, and they recognised SWOT as a crucial and basic analytical tool which can be used to design business plans for all types of businesses. According to this finding, it is obvious that more than half of the respondents understood the importance of SWOT analysis and its connection to strategic
management and business strategies. This finding can be supported by the study of Probert and Minutes.Com (2015) which explains that SWOT is an analytical tool which can be applied to measure organisational strengths, weaknesses, opportunities and threats. In addition, this analytical technique allows firms and business owners to understand both internal and external factors in which the firms are operating. Harrison and John (2013) claim that SWOT analysis is closely linked to strategic management because business owners and managers can use this analytical method to make an appropriate strategic development process and strategic direction for their organisations. Furthermore, three out of ten respondents believed that they could improve their business performance when SWOT analysis was applied. This finding is in the line with the work of Analoui and Karami (2003) which indicates that business performance could be improved when SWOT analysis is applied for business strategies and strategic planning.

Apart from that, the findings indicated that (30%) of the respondents did not use SWOT analysis in their hotel business. These hotel entrepreneurs further explained that they might have heard this term when they attended a seminar or workshop but they had not had any knowledge about this analytical tool. From this point of view, it may be a disadvantageous factor preventing hotel entrepreneurs in Vientiane from success in doing business analysis. This issue is identified by Probert and Minutes.Com (2015) who insists that SWOT analysis can be applied to examine the recent situations of firms at a certain time. This analysis method can also be used to investigate both internal and external environment of firms in order to assist business owners and entrepreneurs to design appropriate strategic plans or business strategies.

What is your perception of using SWOT analysis in your business?

According to the information collected from the interview, it was found that 70% of the respondents regarded the importance of SWOT analysis. They strongly believed that if SWOT was not used, they could not make effective business plans. These respondents also explained that SWOT analysis was a tool that they generally used to develop annual business plans. This notion is similar to the work of Dyson (2004) which claims that SWOT analysis is a significant method for supporting strategy formulation. This analytical tool allows managers and business owners to use analytical information in
order to make organisational missions, visions to ensure that organisational goals can be achieved.

On the other hand, the finding indicated that 30% of the respondents lacked knowledge of SWOT analysis. They contended that it was unnecessary to use SWOT analysis tool in their businesses because they did not recognise its importance. They described their hotel businesses as a family business in Vientiane, and SWOT analysis tool is not required. Based on this view, it is clear that some hotel entrepreneurs in Vientiane did not understand SWOT analysis tool and its significance to business strategies or business plans. This analysis tool is widely used in many organisations, particularly in small and medium-sized business or SMB (Probert & Minutes.Com, 2015). Hence, these outcomes respond to sub research question two and the research objective two.

5.2.3. Identifying the key benefits and challenges that business analysis tools provide to the hotel industry in Vientiane.

This question was formed to answer the third objective of this research and to investigate the participants’ views whether BAT could provide benefits to their businesses.

*Do you think business analysis tools provide benefits to your business?*

It is undeniable that BAT plays a crucial role in organisational strategies. This is because entrepreneurs can use BAT to alert and indicate what is happening inside and outside firms in order to design appropriate business strategies (Grant, 2016). Therefore, it can be said that business success depends on a good business strategy.

Based on the finding, all respondents agreed BAT brought a lot of benefits to hotel business. They pointed out that all analytical and precise data gathered from BAT were very useful to guide their businesses on the right direction. Similarly, two respondents asserted that without using BAT or business environmental analysis, firms could not make suitable business plans to fit the marketplace, especially in the hotel business in Vientiane where the competition is very high. Given the respondents’ comments, it is clear that half of the hotel entrepreneurs were aware of the usage and benefits of BAT when it was practised. This finding supports the notion of Cadle, Paul, and Turner (2010) that all firms have to indicate the changes which emerge within their business
What are the key benefits that business analysis tools provide to your business?

Based on the finding, there are three key benefits when BAT is applied in hotel business. Noticeably, this research study applied the qualitative research approach and open-ended questions. Respondents identified more than one benefit (each hotel entrepreneur mentioned more than one benefit variables). As a result of this, the total percentage of the responses is greater than 100% in this research question (see Figure 4.4 and Table 4.4).

- **Design a business plan:** when asking about the key benefits that BAT can provide to the hotel business, it was found that 60% of the respondents recognised BAT as a useful tool for designing a suitable business plan for hotel business or SMEs. This idea is supported by the study of Beal (2000) which explains that business analysis tools or BAT are used to support policy makers or business owners when determining or designing effective business strategies. As many businesses are confronting today’s turbulence and changes, firms have to evaluate their business environment in order to respond to an unstable business environment through suitable business plans (Grant, 2016)

- **Move to the right direction:** Another benefit that entrepreneurs can have when they apply BAT is to move their hotel businesses to the right direction. It was found that 20% of the respondents mentioned that BAT could guide their hotel businesses on the right direction. They believed that BAT could generate benefits to their hotel businesses such as effective business plans in order to guide their firms to success. This finding can be supported by the study of Harrison and John (2013) that the evaluation of macro and micro-business environment allows managers and business owners to understand business trends, opportunities and threats in order to set up suitable business direction for their firms. This is because BAT can be used to examine the internal and external business environment, so it could alert firms about their current situation, and business owners could manage and deal with unexpected threats and opportunities in their markets (Babatunde & Adebisi, 2012).

- **Maintain competitive:** According to the finding, 20% of the respondents agreed that BAT could help their hotels to stay competitive over their rivals. BAT is
regarded as an important tool for organisational growth and survival. Wheelen and Hunger (2012) also suggest that business environmental scan allows entrepreneurs to understand the strengths and weaknesses of the current market before entering the competitive marketplace.

Apart from this, the findings indicated that although it was found that BAT could provide some benefits to the firms, some hotel SMEs (30%) did not mention about the benefits that BAT could provide because these participants had not used BAT for designing their business plans. These respondents further mentioned that they had heard about BAT, but they had never applied BAT before. This could be a drawback for hotel business in Vientiane. As senior management or business owners have to identify the changes which occur within their business environment. This is because if they fail to identify and respond to those changes effectively, their business operations could fail (Cadle et al., 2014). In addition, there is a concern whether some hotel entrepreneurs could fail to formulate their hotel business plans, and their businesses might fail in the near future.

What are the challenges that hinder your business from employing the business analysis tool?

This question was made to investigate if there were difficulties in applying BAT in organisations. As mentioned above, this research applied the qualitative research approach to collect detailed information from participants. With regard to the challenges that hinder hotel SMEs from BAT application, some participants answered more than one challenges. Therefore, the total percentage of the responses is greater than 100% (see Figure 4.5 and Table 4.5).

In addition, based on the responses from the findings, the challenges hindered the application of BAT included a lack of skilful staff, unawareness of business plans and BAT, inability to retain competent staff and limited access to information.

The key challenge of employing these tools involved a lack of skilful staff. Thus, it does not matter what kinds of tools are used if human resources still lack abilities and knowledge.

- **Lack of skilful staff**: Based on the findings, 60% of the answers from the respondents explained that existing human resources in the hotels did not have adequate skills to meet the requirements for the growth of hotel business in
Vientiane. These respondents commented that the key challenge of using BAT was about a lack of skilful human resources. Thus, it does not matter what tools or approaches are used. The entrepreneurs cannot employ BAT successfully if they do not have skilful staff. According to this point of view, it can be concluded that to ensure BAT is effectively conducted, firms require skilled human resources. This is in line with the study of Mwaniki and Gathenya (2015) which shows that human resources are a significant asset of organisations. Besides, skilled staff could make an important contribution to firms because they play a crucial role in operating organisations and achieving organisational goals. They also mention that “every organisation should have the right people in the right place at the right time to enhance success” (Mwaniki & Gathenya, 2015, p. 2).

➢ **Lack of knowledge:** Another challenge which SMEs faced when implementing BAT was a lack of knowledge and understanding about BAT. 20% of the respondents stated that the issue was about an understanding of how to use BAT. Some theories or tools could be applied effectively if business owners or strategy makers truly understood their functions. However, for new theories or analysis tools, it could be hard to apply because individuals might not understand them clearly, especially in Vientiane. Based on these points of view, it was found that a lack of BAT knowledge and an ability to access analysis information are the hindrances which prevented hotel entrepreneurs from using BAT effectively. As a result of this, it does not matter what the respondents implemented to analyse their businesses if human resources still lacked knowledge, their businesses could not succeed.

➢ **Limited access to information:** the limitation of access to relevant analytical data provided by government agencies involved was a factor that participants faced when implementing business analysis tools. 20% of the respondents advised that another problem of BAT in their hotels was about an ability to access and collect analytical information. It needed more time and processes in order to gain the data, especially the information related to the government office. This can be seen as a drawback preventing hotel entrepreneurs from gathering needed information. This means that organisations that the involved in the hotel industry, especially in Vientiane should provide more support and corporation in terms of data accessibility to improve the hotel industry in Vientiane and other
parts of Laos. This notion is similar to that of Blais (2011) who explains that to succeed in business analysis and to see the future trends of business environment, it is important to take into account of these factors: (1) proper business analysis has to be implemented at the right time; and (2) data should be taken from many relevant sources.

**Unawareness of business plans:** Another relevant challenge which prevented hotel entrepreneurs from conducting BAT effectively was employees’ unawareness of business plans. From the finding, 10% of the respondents pointed out that another challenge was a lack of awareness of organisational or business plans. According to this point of view, it is clear that the perceptions of employees towards the significance of organisational strategies are very low. Employees’ perspectives towards organisational strategies have significant relationships to the effective implementation of business strategies. This finding is in line to the notion of Ahmad, Gilkar, and Darzi (2008) who point out that the perceptions of humans are the main and important factor that affects human behaviour. Humans might have dissimilar perceptions towards the same things (Ranganayakulu, 2005). The perceptions could have an effect on the decisions of employees.

**Unable to retain competent staff:** Besides the challenges above, 20% of the respondents indicated that they could not retain their employees with experience and skills to work with them. These respondents asserted that they spent both time and money to provide training to their employees. However, it was very hard to retain skilled and experienced staff because when they had better offers, they tended to move to work for other hotels. This could be concluded that the level of employee retention is very low in the hotel business in Vientiane. This issue is identified by Patil and Sharma (2014) who insist that in today’s competitive business environment, employee retention becomes a huge concern for many firms. This is because once individuals have been trained or have more work experience, they might move to other organisations where they can receive better benefits. In addition, it can be seen that employee retention strategies and techniques which include employee motivation should be applied in order to keep employees working for firms for a longer period of time (Patil & Sharma, 2014).
Based on the analytical information given above, the sub research question three and the third research objective have answered.

5.2.4. Investigating the perceptions of hotel entrepreneurs towards the interrelationships of strategic management and its benefits for the hotel business in Vientiane

In order to find answers for the fourth research question and achieve the fourth research objective, the researcher asked this set of questions.

**Do you think strategic management provides benefits to your business?**

This question is an initial question to identify the opinions of the respondents on strategic management if it could contribute to the benefits of their hotel businesses. By asking this question, it helped the researcher focus on investigating the participants’ perceptions on business strategic management whether it could provide benefits to their hotels.

Based on the findings, all participants agreed that strategic management could provide benefits for their hotel businesses. This opinion is similar to the suggestion from David (2014) who pointed out that strategic management is “The art and science of formulating, implementing and evaluating cross functional decisions that enable an organisation to achieve its objectives” (p. 5). Applying strategic management in SMEs can support entrepreneurs in the analysis of the strengths and weaknesses of their businesses. Furthermore, entrepreneurs can avoid potential threats and exploit opportunities in the marketplace (Du Plessis, et al., 2015a). Many studies show that firms that apply strategic management have better performance than those who are not engaged in strategic management, so it is a business tool for controlling the destiny of the firms (Alkhafaji & Nelson, 2013).

**What are the key benefits that strategic management provide to your business?**

This question was formed to investigate the key benefits which strategic management could provide to the hotel business in Vientiane. The answers of this question also support the researcher in responding to the fifth objective of this research.

According to the findings, it was found that there were five key benefits that strategic management provided to hotel business in Vientiane. These benefits included increased profitability, enhanced organisational operation effectiveness, goal
achievement, organisational survival and competitiveness. Noticeably, some respondents provide more than one key benefit according to this question (see Figure 4.6 and table 4.6).

- **Increase profitability:** According to the finding, 50% of the respondents mentioned that their hotels could increase their profits as strategic management was effectively applied. These respondents suggested that using strategic management helped their hotels to increase the number of customers because they had effective plans to run their businesses. Based on this point of view, it can be seen that organisational benefits could be made by having proper strategic management. This finding could support the study of Alkhafaji and Nelson (2013) which explains that strategic management is an important process for the development of competitive advantages. As a result of this, it is undeniable that strategic management could help entrepreneurs to increase the market shares and profits. In addition, Amason (2011) claims that strategic management is known as a business tool which creates more value for not only owners and customers but also all stakeholders of the firms.

- **Enhance organisational operation effectiveness:** it was found that 50% of the respondents see the benefits of strategic management because it helped them to enhance operational effectiveness in their hotel businesses. These respondents explained that organisational operations such as budgeting and cost management would be more effective when strategic management was applied. This finding supports the research of Amason (2011) which shows that strategic management involves the principal elements of organisations such as organisational structures, styles and cultures. It also consists of strategy formulation, implementation and environmental analysis. In addition, strategic management can improve organisational performance because it can increase the efficiency of the whole structure of internal and external environment. In addition, it can provide useful and evaluative information in the decision making process (Amason, 2011). Apart from that, Alkhafaji and Nelson (2013) maintain that the firms which are engaged in strategic management perform better than the ones that do not apply it.

- **Goal achievement:** Regarding the findings, 40% of the respondents believed that they could make business goals achievable because they had used strategic
management in their hotel businesses. In this regard, it is clear that strategic management plays an important role in the hotel business in terms of goal achievement. This was supported by the study of Daft and Marcic (2012) which explains that “strategic management refers to a set of decisions and actions used to formulate and execute strategies that will provide competitively fit between the organisation and its own environment so as to achieve organisational goals” (p.186). It is a business tool that enables managers or business owners to accomplish organisational objectives and goals (David, 2014). Similarly, Afonina (2011) insists that strategic management can be a tool or process which managers use to deal with issues and to guide their companies in the right directions. Härtel and Fujimoto (2014) also insist that “strategic management refers to the planning and achievement of organisational goals with a long-term focus.” (p. 114).

- **Survival of the company:** Based on the finding, 20% of the respondents asserted that when the economy was down, many hotels collapsed but their businesses could survive. According to this point of view, it can be concluded that effective application of strategic management could help organisations or businesses to deal with unexpected situations and changes in the business environment. It also suggests that effectively applying strategic management could guide firms to move forwards and survive when facing unexpected business environment or economic downturn. This point of view can be supported by the study of (Du Plessis, et al., 2015b) which explains that applying strategic management in business or SMEs helps business owners in the analysis and evaluation of strengths and weaknesses. Then they can make improvements in their businesses by avoiding potential threats and exploiting opportunities in the marketplace. This is because strategic management provides principles that enable business owners to change their views from day-to-day business operations to the long-term goals of firms. Moreover, strategic management could improve our performance and also help our staff to deal with unexpected situations. Alkhafaji and Nelson (2013) highlight that “in a short-run, any firm with a strategic advantage can survive and prosper, organisation with long-term strategic management will continue to success” (p. 48). Besides, Dess et al. (2012) admit that many business strategies fail because managers
formulate and implement their business strategies without regard to internal and external business environment.

- **Competitiveness:** according to the finding, 50% of the respondents mentioned that strategic management could increase competitiveness for their hotel businesses. These respondents also explained that if they performed better, they could compete with other hotels. This means that about half of hotel entrepreneurs in Vientiane see the importance of strategic management and its relationships with organisational competitiveness. Therefore, it could be suggested that implementing strategic management could influence competitiveness in hotel business. To support this point of view, Alkhafaji and Nelson (2013) assert that a strategic management process provides not only the right direction to the employees but also the needs to be more competitive and stay focused. “Strategic management involves a focus on competition as a central of characteristic of the business environment, and on performance maximisation as a primary goal of strategy” (Grant, 2016, p. 35). They further explain that strategic management is a crucial process that allows firms to gain competitive advantages in the same market. However, it requires contribution and participation from related factors in organisations (Alkhafaji & Nelson, 2013).

Regarding the above discussion, the fourth sub research question and research objective was addressed.

### 5.2.5. Exploring the challenges of the application of strategic management in the hotel industry in Vientiane

These questions were formed to explore the challenges that hinder hotel entrepreneurs to use strategic management in their hotels. The answers of these questions address the fifth research objective.

**What are the challenges that hinder your business from using business strategic management?**

Based on the finding, the challenges that hinder hotel entrepreneurs from applying strategic management in their hotels are as follows:

- **Employees’ unawareness of strategic management:** the findings showed that the challenges that hindered participants from using strategic management were employees’ unawareness of strategic management. 40% of the respondents
agreed that one of the challenges is due to employees’ unawareness of strategic management. These respondents also explained that their employees did not focus on plans although there were strategic plans. To support this view, Alkhafaji and Nelson (2013) mention that strategic management involves the utilisation of resources such as financial, equipment, time and human resources to accomplish organisational goals. This can be seen that human resources are a significant factor that allows organisations to conduct strategic management effectively. Therefore, it could be suggested that a lack of awareness among employees could impact organisational productivity. Similarly, Gabčanová (2011) explains that managers or business owners should not underestimate employees’ opinions, so their ideas and concerns should be taken into account. This is because “the orientation of the company on the human resources turned to be one of the key tasks of strategic management and human resources play importance role in all strategic decisions” (Gabčanová, 2011, p. 1)

- **Lack of qualified employees:** Based on the finding, 60% of the respondents claimed that the main challenge that hindered the effective use of strategic management was a lack of qualified employees or skilled human resources who had the right experience in hospitality to manage the hotels. These respondents further suggested that hotel business required qualified human resources, and it would be effective if the hospitality institutions could provide talented people to serve the hotel industry. According to this point of view, it was found that a lack of skilled and qualified human resources is a significant issue for the hotel business in Vientiane. In this case, skilled labour refers to individuals who have high skill levels and experience in certain work. Besides, skilled employees can contribute to an increase in organisational productivity by helping their firms to adapt to unstable business environment (Plum & Hassink, 2011). To support this statement, Gabčanová (2011) claims that the most important corporate asset is its employees. Kotnour (2009) agree that “the right work completed the right way with the right people at the right time” (p. 42). In conclusion, it is recommended that organisations should take the shortage of skilled labour into account and find a solution to support the growth and expansion of the hotel industry.

According to this finding, the sub research question five and the fifth research objective is answered.
5.2.6. Exploring the design of the business strategy in the hotel industry in Vientiane

To answer the sixth objective of this research project, these questions were formed to explore the respondents’ perspectives on business strategies and their importance in their organisations.

**How important is a business strategy to your business?** The finding indicated that 40% of respondents acknowledged the importance of business strategies for their hotel businesses. These respondents reasoned that strategies guided their businesses to the right direction. Without business strategies, it was hard to guide their businesses and achieve goals. In this regard, some hotel entrepreneurs recognised the importance of business strategies. This can be suggested that business success depends on how good a strategy is. To support this view, Watkins (2007) point out that effective strategies allow managers to see clear roadmaps and help them to operate and steer their businesses. Jeff (2007) also highlighted that without effective business strategies, firms could fail to survive. Besides, an effective business strategy enhances organisational growth while a poor strategy will bring loss to firms (Kourdi, 2009). Furthermore, Grundy (2003) describe a business strategy as the application of a sustained competitive advantage to help organisations move from their current positions to their future desired destinations. Warner (2010) asserts that every business needs to have its own business strategy so that it can compete and survive in the marketplace.

However, the finding showed that 60% of the respondents tended to perceive their businesses as a small business or family business, so they were not so concerned about business strategies. This means more than half of hotel entrepreneurs did not have effective or suitable business strategies for their hotel businesses. In addition, it could be a factor preventing hotel entrepreneurs from success. This is because a business strategy is crucial and needed for any kind of businesses or organisations (Magretta, 2012). Spulber (2009) suggests that business strategies refer to a business plan which is used to compete with other firms in the same marketplace. Khan (2015) points out that a strategy is a set of choices that business owners or managers create to compete and distinguish their organisations from other firms. It is a business owners’ plans aimed at entering a new or existing market (Samson & Daft, 2012).
What factors do you refer to when designing your business strategy?

This question allowed the researcher to investigate how the hotel entrepreneurs designed business strategies for their hotel businesses. The finding demonstrated that in the design of business strategies, there were three main factors that hotel entrepreneurs referred to as follows:

From the finding, it is clear that 60% of the respondents referred to market situations, and they responded that their business strategies were based on what they could see from the market situation whether it was growing or decreasing. They created their business strategies based on basic information such as locations and social factors. From this point of view, it is obvious that more than half of the hotel entrepreneurs analysed the market environment or business environment before making a business strategy. This is in the line with the study of Panwar (2016) which highlights that business strategies can be seen as business plans. In order to develop an effective business strategy, it is important for the organisations to observe both internal and external environment. Grant (2012) also explains that environmental analysis is a useful tool for examining what is happening in the current world. Apart from that, to deal with competitors and real situations in the marketplace. Chen et al. (2012) maintain that environmental scan can support managers and entrepreneurs in developing an understanding of both internal and external business environment, and then it can help them to create practical and effective strategies. In addition, to design an effective business strategy, it is undeniable that the hotel industry or SMEs in Vientiane should conduct an environmental scan.

The finding also shows that 20% of the respondents referred to their past experience and 20% referred to decision making in their families. This is in contrast to the study of Ulwick (2005) which indicates that the concept of business strategies is often based on a certain situation or environment, and this business situation or environment create several definitions of business strategies. Grundy (2003) suggest that a business strategy is the application of a sustained competitive advantage to help organisations move from their current positions to their future desired destinations. Apart from that, Clegg et al. (2011) assert that a strategy is related to big plan development. Generally, entrepreneurs or business owners utilise all existing organisational resources to maximise and enhance organisational performance. In the general business context, there are three elements of strategies: a strategy process, strategy content and strategy
context (Wit & Meyer, 2010). As a result of this, it can be concluded that there are no research or studies which explain that designing a business strategy should rely on past experience or shared decision making among family members.

According to the results, the sixth research questions and the sixth objectives were answered.

5.3. Conclusion

In conclusion, the majority of the hotel entrepreneurs applied BAT in their hotel businesses while almost half of them were unfamiliar with the term “BAT”. These entrepreneurs did not understand and know how to use it. With regard to SWOT analysis, the finding showed that the majority of respondents recognised the importance of SWOT analysis as it played a crucial role in designing a business plan. However, the finding indicated that some respondents did not apply SWOT analysis in their hotel businesses because they did not have any knowledge about this analytical tool. Furthermore, almost half of the participants saw the importance of business strategies while others thought that they did not need business strategies for their hotel businesses.

5.4. Chapter summary

This chapter discussed the findings of the research based on the research objectives and research questions. In the process of the discussion, the findings were addressed and supported by the literature in the area of business strategies and relevant studies in order to make a conclusion for this research.

Regarding the discussions, the majority of the hotel entrepreneurs were familiar with BAT, and they understood how to use BAT in their businesses. However, almost half of the entrepreneurs did not understand BAT and apply BAT in their businesses, and only a small number of them applied PESTLE and Porter’s Five Forces. Moreover, the majority of the hotel entrepreneurs were likely to apply SWOT in their businesses while some of them did not have knowledge and understanding about this analytical tool. The findings indicated that the main challenges of the hotel entrepreneurs to use BAT were a lack of skilled human resources and limited access to analytical information.

All hotel entrepreneurs agreed that strategic management provided benefits to hotel business. However, the main challenges that hindered the hotel entrepreneurs to
effectively use strategic management were a lack of employee’s awareness and skilled employees. With regard to business strategies and hotel business, more than half of the hotel entrepreneurs did not see the importance of business strategies. However, almost half of them thought it was crucial to have business strategies to achieve organisational objectives and goals. Furthermore, nearly half of the respondents designed business strategies based on market situations while others made business strategies according to their past experiences and consultation with their families. Chapter 6 discusses conclusions and provides recommendations for further areas of future research.
Chapter 6: Conclusion and Recommendations

6.1. Introduction

The previous chapter discussed the findings. In this chapter, the results of the research objectives and questions are summarised. Firstly, this chapter synthesises the keys points from the findings in chapter four and the discussions in chapter five to provide answers for the research questions and six objectives. Then the strengths and limitations of this research study are demonstrated and highlighted. Next, the recommendations on this research study are given as well as suggestions on some significant points for future studies. Finally, the theoretical framework of BAT application to support entrepreneurs in SMEs in hotel business in Vientiane is introduced based on the findings and recommendations of this research study.

6.2. Conclusion of the research project

The main purpose of this research study is to examine the use of business analysis tools or BAT by entrepreneurs in SMEs in the hotel business in Vientiane. The aim of this research is to explore the perceptions of hotel entrepreneurs in Vientiane on business strategy analysis tools which could enhance business performance and competitive advantages. To accomplish the purpose of this research project, the sub-research questions were formed as demonstrated in chapter one.

To collect the data for this research study, the qualitative and interpretive approach were used. The semi-structured interviews were applied to gain qualitative data from 10 different hotel entrepreneurs. Based on those findings, the answers related the sub research questions and research objectives are presented with reference to relevant literature as follows:

6.2.1. The level of familiarity of hotel entrepreneurs towards the use of business analysis tools in the hotel industry in Vientiane

Regarding the viewpoints of the hotel entrepreneurs in Vientiane towards the use of business analytical tools. Overall, based on the first research objective with regard to the research objective two, it was found that not all the hotel entrepreneurs fully understood the term “business environment analysis tools”. Noticeably, when the
question was asked according to the familiarity of entrepreneurs with the term business environment analysis tools, more than half of the respondents could explain the importance of using BAT and its relationship to business plan formulation. Their perceptions were in accordance to the study of Babatunde and Adebisi (2012) which explains that business environment scan can describe and analyse the external and internal environment which could guide firms on the right direction.

However, some respondents were not familiar with business analytical tools. This can be concluded that hotel entrepreneurs in Vientiane could not create their business plans effectively because they did not have any knowledge and awareness of BAT. In contrast, Harrison and John (2013) insist that BAT allows entrepreneurs to determine and understand business trends, threats and opportunities in order to design a suitable business strategy and groundwork for strategic direction.

Regarding the use of PESTLE and Porter's Five Forces, the finding indicated that some respondents had never heard or applied PESTLE and Porter's Five Forces. In addition, the hotel entrepreneurs in Vientiane could not create their business plans effectively because they did not have any knowledge and awareness of BAT, particularly PESTLE and Porter's Five Forces analyses. This is because using PESTLE analysis could help managers and entrepreneurs to be aware of what is going on in external markets (Grant, 2012). Besides, Porter's Five Forces are used to analyse competitive situations against other firms or companies in the market. It is regarded as a significant measurement to scan the operations of firms (Grant, 2012).

6.2.2. The perceptions of hotel entrepreneurs on the use of Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis in the hotel industry in Vientiane

Regarding research objective two, the result of the study indicated that the majority of the respondents recognised the importance of SWOT analysis and its relationship to organisational strategies and planning. This finding is in accordance with the study of Probert and Minutes.Com (2015) which explains that SWOT is an analytical tool applied to measure organisational strengths, weaknesses, opportunities and threats. This analytical technique allows firms or business owners to understand both internal and external factors in which the firms are operating. Harrison and John (2013) claim that SWOT analysis is closely linked to strategic management because business owners or
managers can use this analytical method to create an appropriate strategic development process and strategic direction for their organisations.

More explanation to research objective two, although SWOT analysis is widely used and seen as an important analysis tool for many businesses, some hotel entrepreneurs in Vientiane are not concerned about SWOT analysis because they consider their hotel businesses as family business. This is in contrast to Probert and Minutes.Com (2015) who insists that SWOT analysis is widely used in many organisations, particularly in small and medium-sized business or SMB. This analytical tool examines the recent situations of firms at a certain time. It is applied to investigate both the internal and external environment of firms in order to help entrepreneurs to make suitable strategic plans.

6.2.3. Identifying the key benefits and challenges that business analysis tools provide to the hotel industry in Vientiane.

Answers to research objective three, all respondents agreed that the business analysis tools could provide benefits for their businesses. These key benefits included designing business plans; establishing the right business direction; and maintaining competitiveness. In addition, applying BAT was considered as a crucial factor that provided benefits to their hotel businesses. This finding supports the notion of Cadle et al. (2010) that all firms have to indicate the changes which emerge within their business environment. Successful business strategies normally include learning to deal with and adapt to those changes (Houston et al., 2003).

However, it is surprising that some respondents did not have any knowledge about BAT and had never applied BAT in their businesses. This can be seen as a disadvantage for their hotel businesses. Cadle et al. (2014) suggest that business owners have to identify the changes that happen in the business environment. If they fail to identify and respond to those changes, their business could fail. Therefore, support in different forms from organisations and the government are required to promote the use of BAT among SMEs, especially hotel businesses in Vientiane. Blais (2011) insists that effective business analysis and business trend forecast depend on data from many related sources, factors and right time.

In conclusion, although all the respondents agreed that hotel business could have benefits from BAT, many hotel entrepreneurs had never applied BAT because their
knowledge and understanding about BAT were still limited. This issue could prevent SMEs in hotel business in Vientiane from success because BAT was not widely practised. Besides, the challenges hindered hotel entrepreneurs to apply BAT effectively were the lack of skilful staff, inability to retain competent staff, a lack of concern about business plans, limited access to information and a lack of knowledge about BAT.

6.2.4. Investigating the perceptions of hotel entrepreneurs towards the interrelationships of strategic management and its benefits for the hotel business in Vientiane

Based on the result of the research, all respondents agreed that strategic management provided benefits to their hotels. They explained that their hotels could increase profits due to strategic management was effectively applied. The five key benefits that strategic management provided included increased profitability, enhanced organisational operation effectiveness, goal achievement, organisational survival and competitiveness. This finding is in line with the work of Amason (2011) which explains that strategic management is known as business tools that create more values for not only owners and customers but also all of the firms’ stakeholders. Du Plessis, et al. (2015a) suggest that applying strategic management in SMEs could support entrepreneurs to analyse the strengths and weaknesses of their businesses. As a result of this, hotel entrepreneurs can avoid the potential threats and exploit opportunities in the marketplace.

To sum up, it could be justified that hotel entrepreneurs in Vientiane see the importance and interrelationships of strategic management and its benefits for hotel business. Therefore, strategic management is widely applied and practised by hotel entrepreneurs.

6.2.5. Exploring the challenges of the application of strategic management in the hotel industry in Vientiane

From the findings, some of the respondents mentioned that the challenge of the use of strategic management was a lack of awareness of strategic management among hotel employees. More than half of the respondents mentioned that the main challenge was about a lack of qualified employees or human resources. Based on these points of view,
qualified human resources could not meet the requirement for the growth of hotel business in Vientiane as skilled employees can contribute to an increase in organisational productivity and help firms to adapt to unstable business environment (Plum & Hassink, 2011), Dessler, Chhinzer, and Cole (2015) insist that human resources are the most important asset of firms today, and their skills and knowledge could push organisations to achieve corporate objectives and goals.

To sum up, the factors that hindered the application of strategic management were a lack of concern over strategic management from employees and a lack of qualified employees. As it was highlighted in the previous objective of this research study, it can be seen that qualified human resources are the key factors that contribute to the organisational success.

6.2.6. Exploring the design of the business strategy in the hotel industry in Vientiane

The finding indicated that almost half of the respondents saw the importance of business strategies in hotel business. Their perceptions are similar to the one of Grundy (2003) who describes a business strategy as the application of a sustained competitive advantage to help organisations move from their current positions to their future desired destinations. Warner (2010) asserts that every business needs to have its own business strategy so that it can compete and survive in the marketplace.

However, the study result showed that more than half of the respondents tended to perceive their businesses as small business or family business, and they were not so concerned about business strategies. Thus, the result of this research study implied that hotel entrepreneurs did not have effective or suitable business strategies for their hotel businesses. This could be a factor preventing hotel entrepreneurs from success. Magretta (2012) points out that a business strategy is crucial and is needed for any kind of business or organisations. A business strategy refers to a set of long-term actions designed to achieve corporate objectives or goals (Panwar, 2016).

With regard to the design of business strategies, some of the hotel entrepreneurs referred to market situations. This is in the line with the study of Panwar (2016) which shows that there is no best strategy, but it is more important for business to handle each situation based on the evaluation of business environment. Grant (2012) explains that environmental analysis is a useful tool for examining what is happening in the
current world. On the other hand, the study result found that some respondents designed business strategies according to their past experience and decision making from their families. This is in contrast to the study of Ulwick (2005) which explains that the concept of business strategies is often based on a certain situation or environment and this business situation or environment has led to several definitions of business strategies. Clegg et al. (2011) assert that a strategy is related to big plan development. Panwar (2016) also claims that business strategies require the analysis of current situations to create solutions and determine the best way to handles challenges.

In conclusion, although some hotel entrepreneurs saw the importance of business strategies, more than half of them were not concerned about business strategies in their hotel businesses. According to the study result, the majority of the hotel entrepreneurs saw their hotel businesses as small business or family business. With regard to the design of business strategies, some hotel entrepreneurs developed their strategies based on the market situation, past experience and decision making from their families.

6.3. Contribution of this research study

Although there are many studies about business and organisational strategies, there are limited studies in the area of business strategies applied by entrepreneurs in SMEs in hotel business in Vientiane. This leaves a gap in the literature in this area. Thus this research study filled the gap where there were limited studies in the area of hotel business and organisational strategies in Vientiane.

This research project contributes distinct value to the area of SMEs, especially in the Laos hotel business industry. Firstly, it will encourage the hotel entrepreneurs or managers to be aware of the importance of utilising business analysis tools, strategic management and business strategies in their SMEs. Secondly, this research project can be used as a case study or a guidebook for existing hotel businesses in Vientiane and for hotel entrepreneurs or managers to understand more about business strategy analysis tools such as micro and macro-environmental analysis which can be used for their hotel businesses. Furthermore, this research study fills the gap in the literature where it fails to shed light such as on sub-research question 5, the factors hindering the application of BAT in hotels in Vientiane (see Figure 4.5 and table 4.5). Thus it can be said that the findings of this research study fills the literature gap.
Hence, the body of knowledge in this discipline was explained by this research project. Lastly, it will support the entrepreneurs or managers to enhance their business performance effectiveness. Besides, hotel entrepreneurs will better understand business strategies and how they can help create competitive advantages for their SMEs, particularly the hotel business in Vientiane.

6.4. Recommendations

The recommendations are provided to the hotel entrepreneurs and related organisations in order to improve their hotel businesses in Vientiane, Laos.

6.4.1. Recognising the importance of business analysing tools (BAT):

The result of this research study indicated that some entrepreneurs lacked knowledge and understanding about BAT. Thus, the hotel entrepreneurs should pay more attention to the importance of business analysis tools. This is because these analytical tools allow business owners to design a suitable business plan. Furthermore, they should take BAT into their consideration before designing a business plan. To do this, the hotel entrepreneurs should apply BAT as a primary approach to examine business environment in order to develop appropriate strategies to direct their businesses to success.

With regard to PESTLE and Porter Five Forces analyses, the findings demonstrated that the majority of the hotel entrepreneurs did not apply these analytical tools due to a lack of knowledge and understanding. Therefore, the hotel business association should organise an annual workshop or a meeting for not only existing hotel entrepreneurs but also new entrepreneurs. This workshop should be aimed to increase an understanding and awareness of BAT in hotel business.

6.4.2. Support from organisations:

Due to the fact that BAT requires valid data from different factors, SMEs owners need more support from not only private factors but also governmental factors such as the ministries involved in the hotel industry. My suggestion to the Lao hotel association is to request the cooperation from government agencies such as the Ministry of Information, Culture and Tourism, and the Lao Ministry of Education and Sports should take BAT, strategic management and business strategy into their consideration by
integrating the courses that cover BAT and organisational strategy into the curricula of educational institutions. With this support, the hotel industry will have adequate skilled human resources to respond to the growth of hotel business in Laos, particularly in the Vientiane Capital.

Regarding information accessibility, the organisations concerned should provide more support in terms of data accessibility to improve the hotel industry in Vientiane and other parts of Laos. To do this, the Ministry of Information, Culture and Tourism should provide an accessible website for entrepreneurs to access data related to the tourism and hotel industry in Laos, particularly in Vientiane.

6.4.3. Encouraging the use SWOT analysis:

The finding showed that some entrepreneurs did not apply SWOT since they recognised their hotels as family business. From this point of view, entrepreneurs saw their businesses as small or family business. SMEs owners, hotel entrepreneurs should apply SWOT analysis in order to deal with ultimate challenges that might happen in business environment. As SWOT analysis is recognised as a crucial analytical tool for every business, it allows managers or business owners to pay attention to challenges which could potentially have an effect on their organisations (Probert, 2015). As mentioned above, the hotel association should provide annual training about SWOT for entrepreneurs. This workshop should be held by the hotel association in Vientiane. Besides, lessons or guidebooks related to SWOT analysis should be available online such as the hotel association website.

6.4.4. Acknowledging the importance of strategic management:

SMEs owners and hotel entrepreneurs in Vientiane should acknowledge the importance of strategic management and the benefits to their organisations. Samson and Daft (2012) state that strategic management refers to a decision-making process used to develop and put strategies into practice, and it can provide the alignment between business operations and environment to increase opportunities for goal achievement. However, Dess et al. (2012) admit that many business strategies fail because managers formulate and implement their business strategies without regard to the internal and external business environment. Significantly, Campbell et al. (2011) mention that strategic management is a set of frameworks, theories and techniques to explain
causes underlining organisational performance and to assist the top manager in strategic thinking, planning and implementation.

6.4.5. Understanding and designing an effective business strategy:

The findings showed that the majority of the hotel entrepreneurs did not see the importance of a business strategy. It can be recommended that hotel entrepreneurs in Vientiane should not only understand the idea of a business strategy but also know how to design correct business strategies to achieve their objectives and goals. Moreover, hotel entrepreneurs should see the importance of business strategies and apply suitable business strategies to respond to the targeted marketplace in order to create more benefits and competitive advantages for their hotel businesses. To do this, hotel entrepreneurs should design business strategies for three-star hotels together with an understanding of their customers and markets to compete in the nearly saturated hotel market (Koponen & Arbelius, 2009). Besides, the targeted sample of this research is focused on three-star hotels. These hotels are considered as select-service-hotels where they do not offer expensive services (Roger, 2007). Therefore, a business strategy should be unique and respond to the needs of the middle-class customers who have limitation of payment.

6.5. Limitations and direction for the future research

6.5.1. Limitations

There are some limitations in this research study. Firstly, the scope of this research study was conducted in Vientiane, the capital of Laos. During the data collection process, ASEAN summit was held in Vientiane. The majority of hotel owners or managers were not available to participate in the interviews. In addition, it was a limitation for the researcher to increase the sample size. Secondly, the findings of this research study could only be applied in the three-star hotels in Vientiane, but other types of hotels with higher rates and better service quality might not practise these activities because of the different classes and customer groups. Thirdly, the sample size of 10 participants is relatively small, it might decrease the validity of the research results. However, the reason that the researcher did not increase the sample size was because of time constraints and limited resources for this research study. Lastly, although this research study emphasised SMEs in the hotel business in Vientiane, the findings of this
research might not be suitable for other kinds of SMEs due to the differences in the nature of business.

6.5.2. Direction for future research

There is a possibility to conduct future research in the following areas. Firstly, due to the relatively small sample size of this research study, future research should increase the sample size in order to increase the validity of findings. Moreover, future research should adjust the new area of studies such as four-star and five-star hotels. Secondly, to gain more insight about BAT, its usage and benefits in SMEs, particularly in the hotel sector, further research should investigate other business analysis tools. Thirdly, to increase further understanding of BAT and its importance to SMEs, future research should cover other provinces in Laos in order to develop more practical theories for SMEs in Laos.

6.6. Closing statement

This research explored the new area in business strategies in SMEs in the hotel industry in Vientiane. In addition, the researcher highly believes that this research study will provide valid and useful information to entrepreneurs, especially to SMEs in the hotel industry in Vientiane, Laos.

This research study provided important information and guidance about BAT and business strategies for SMEs in the hotel business in Vientiane to enhance hotel business performance and competitiveness. The main purpose of this research study was to investigate the level of awareness and understanding of SMEs or hotel entrepreneurs towards the use of BAT and its relationship to strategic management and business strategies.

Regarding the role of BAT, it is important for entrepreneurs to take BAT into account in order to enhance business performance and competitive advantages. In addition, SMEs in the hotel business, particularly in Vientiane should pay more attention on designing suitable business strategies to ensure that hotel entrepreneurs create sustainable and competitive advantages.

The research study suggests that BAT is necessary for SMEs, particularly the hotel business. As a result of this, hotel entrepreneurs can improve their hotel businesses
when BAT is effectively conducted. Furthermore, hotel entrepreneurs should pay more attention to their business strategies and how to make correct business strategies for their businesses in order to achieve their objectives and goals.
REFERENCES


Gabčanová, I. (2011). The employees—the most important asset in the organizations.


Reiners, G. M. (2012). Understanding the differences between Husserl’s (descriptive) and Heidegger’s (interpretive) phenomenological research. *Journal of Nursing & Care*, 2012.


APPENDICES

APPENDIX 1: Semi-structured interview questions

I. Identifying the level of familiarity of hotel entrepreneurs towards the use of business environment analysis tools in the hotel industry in Vientiane.
   1. Are you familiar with the term business environment analysis tools?
   2. Have you applied PESTLE and Porter’s Five Forces?

II. Investigating the perception of hotel entrepreneur on the use of SWOT analysis in the hotel business in Vientiane
   3. Do you use SWOT analysis in your business?
   4. What is your perception of using SWOT analysis in your business?

III. Identifying the key benefits and challenges that business analysis tools provide to the hotel industry in Vientiane.
   5. Do you think business analysis tools provide benefits to your business?
   6. What are the key benefits that business analysis tools provide to your business?
   7. What are the challenges that hinder your business from employing the business analysis tool?

IV. Investigating the perceptions of hotel entrepreneurs towards the interrelationships of strategic management and its benefits for the hotel business in Vientiane
   8. Do you think strategic management provides benefits to your business?
   9. What are the key benefits that strategic management provide to your business?

V. Exploring the challenges of the application of strategic management in the hotel industry in Vientiane
   10. What are the challenges that hinder your business from using business strategic management?

VI. Investigating the perception of hotel entrepreneurs toward the design of business strategy in the hotel business in Vientiane
   11. Does business strategy important to your business?
   12. What factors do you refer to when designing your business strategy?
APPENDIX 2: Information sheet

Information for participants

“A study of business strategies applied by entrepreneur in SMEs in hotel industry in Vientiane to maximize competitive advantages”

Synopsis of project

My name is Thatsaphone Chaleunsouk and I am a Master of Business student at Unitec Institute of Technology, New Zealand. In order to fulfil the programme’s requirement, I am conducting a research project on the topic of “A study of business strategies applied by entrepreneur in SMEs in hotel industry in Vientiane to maximize competitive advantages”. This research project will help develop a guideline of business strategy analysing tools such as Micro and Macro environmental analysis and strategic management in SMEs businesses particularly in Hotel business in Vientiane, Laos.

What we are doing

The aim of this research project is to explore hotel owners or managers’ perceptions towards business strategy analysing tools that enhances the business performance effectiveness and competitive advantage for the hotel industry in Vientiane.

By taking a part in this project, you will provide useful information to the researcher to be able to understand about the current practices about the business analysing tools and the strategic management in the organisation. In addition, the information given will allow the researcher to find out the key benefits and likely obstacles for good business analysing and strategic management practices to enhance hotel business performance and competitive advantage of the organization.

What it will mean for you

We would like to request an interview to ask some questions related to your perception about talent management and talent retention in your organisation. The interview will
be at the most convenient time to you from early July 2016 to late September 2016. The interview is expected to take approximately one hour at a time and place convenient to you.

All of the information provided will be confidential. Although names and email addresses will be collected, these will not appear in the final report- participants will be referred to only by a code or pseudonym so they cannot be identified by their employer or anyone else known to them. You have the right to withdraw from the project within two weeks after the interview and the data they provide will not be used.

The interview will be recorded but no digital images will be taken. A copy of the transcribed interview will be sent by post or email (whichever is preferred) to you to make any desired changes.

You also have the right to see the final report if you wish. The de-identified information that you give may be published in a reputable banking journal or presented at a conference.

At any time if you have any concerns about the research project you can contact my supervisor or myself:
Professor Dr. Andries J. Du Plessis, Tel: 815 4321 ext. 8923,
Email: aduplessis@unitec.ac.nz

Researcher: Thatsaphone Chaleunsouk, Tel (Lao mobile): + 856 20 55165888,
55615279, 22245559
Tel (NZ mobile): + 64 21263328.
Email: thatsaphonechaleunsouk@hotmail.com

UREC REGISTRATION NUMBER: (insert number here)
This study has been approved by the UNITEC Research Ethics Committee from (date) to (date). 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. 8551). 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

“A study of business strategies applied by entrepreneur in SMEs in hotel industry in Vientiane to maximize competitive advantages”

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

I understand that I don't have to be part of this if I don't want to and I may withdraw at any time prior to the completion of the research project.

I understand that everything I say is confidential and none of the information I give will identify me and that the only persons who will know what I have said will be the researchers and their supervisor. I also understand that all the information that I give will be stored securely on the computer of researcher for a period of 5 years.

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

I understand that I can 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 Name: …………………………………………………………………………………………………………………

Address: ………………………………………………………………………………………………………………………………..

Email: ……………………………………………………………………………………………………………………………….. Phone: ……………………………………………

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

Project Researcher: ……………………………………………….. Date: ………………………

UREC REGISTRATION NUMBER: (insert number here)

This study has been approved by the UNITEC Research Ethics Committee from (date) to (date). 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. 8551). Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.
APPENDIX 4: Organisational consent form

Organization Consent Form

I, (name), (position in organisation) of (name of organisation) give consent for Mr Thatsaphone Chaleunsouk to undertake research in this organisation as discussed with the researcher.

The consent is subject to approval of research ethics application no 2016-1043 by the Unitec Research Ethics Committee and a copy of the approval letter will being forwarded to the organisation as soon as possible.

Signature: ……………………………………………………………………………………………

Date: ……………………………………………………………………………………………

UREC REGISTRATION NUMBER: (insert number here)

This study has been approved by the UNITEC Research Ethics Committee from (date) to (date). 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. 8551). Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.
APPENDIX 5: Ethics approval letter

Thatsaphone Chaleunsouk
133 Rosebank Road
Avondale
Auckland 1026
21.7.16

Kia ora Thatsaphone,

Your file number for this application: 2016-1043
Title: A study of business strategies applied by entrepreneurs in SM Es in the hotel industry in Vientiane to maximize competitive advantages.

Your application for ethics approval has been reviewed by the Unitec Research Ethics Committee (UREC) and has been approved for the following period:

Start date: 21.7.16
Finish date: 21.7.17

Please note that:
1. The above dates must be referred to on the information AND consent forms given to all participants.
2. You must inform UREC, in advance, of any ethically-relevant deviation in the project. This may require additional approval.

You may now commence your research according to the protocols approved by UREC. We wish you every success with your project.

Yours sincerely,

Nigel Adams
Deputy Chair, UREC

cc: Andries du Plessis
Cynthia Almeida
Full name of author: THATSAPHONE CHALEUNSOUK

ORCID number (Optional): .........................................................

Full title of thesis/dissertation/research project (‘the work’):
“A study of Business Strategies Applied by Entrepreneurs in SMEs in the Hotel Industry in Vientiane to Maximise Competitive Advantages”

Practice Pathway: ...............................................................................................................

Degree: Master of Business

Year of presentation: 2017

Principal Supervisor: Dr. Andries J. Du Plessis

Associate Supervisor: Malama Saifoloi and Dr. Nitin Seth

Permission to make open access
I agree to a digital copy of my final thesis/work being uploaded to the Unitec institutional repository and being made viewable worldwide.

Copyright Rights:
Unless otherwise stated this work is protected by copyright with all rights reserved.
I provide this copy in the expectation that due acknowledgement of its use is made.

AND

Copyright Compliance:
I confirm that I either used no substantial portions of third party copyright material, including charts, diagrams, graphs, photographs or maps in my thesis/work or I have obtained permission for such material to be made accessible worldwide via the Internet.

__________________________________________
Signature of author: THATSAPHONE

Date: 14 /06/2017
Declaration

Name of candidate: Mr. Thatsaphone Chaleunsouk

This Thesis/Dissertation/Research Project entitled: “A study of Business Strategies Applied by Entrepreneurs in SMEs in the Hotel Industry in Vientiane to Maximise Competitive Advantages” is submitted in partial fulfillment for the requirements for the Unitec degree of Master of Business

Principal Supervisor: Dr. Andries J. Du Plessis

Associate Supervisor/s: Malama Saifoloi and Dr. Nitin Seth

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: 2016-1043

Candidate Signature: .................................................. Date: 14/06/2017

Student number: 1443108