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The relationship between the tourist attractiveness of the country and the sales of national brands: The example of BeerLao

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Abstract. The dynamic relationship between tourism and BeerLao export in Laos is investigated in this article. It provides an in-depth look into the studies that have been conducted showing the various correlations between inbound tourism and economic performance of various countries. Laos is a small landlocked Southeast Asian country with a rich cultural past, magnificent natural beauty and a rising economy despite its small size. Agriculture, particularly rice production, is the economy's mainstay, although other industries including as manufacturing and services are slowly expanding. The most widely known Laos brand is BeerLao, a distinctive beer label occupying almost 100 % of the country's market. The current paper explores BeerLao's history, production, marketing strategies and export destinations, as well as the elements that contribute to its export success — specifically tourism. It seems that the pre-pandemic expansion of BeerLao's success in the world and inbound tourism dynamics of the country are correlative and have mutually beneficial relationship. The research looks into how tourism might have affected BeerLao's export volumes and vice versa in pre-pandemic era. The study underlines the importance of tourism and beer exports to the Laotian economy and recommends crucial areas for future investigation. The study intends to provide insights into the economic and cultural significance of tourism and beer exports in Laos, as well as provide meaningful insights to policymakers, investors, and other stakeholders about the potential benefits and problems of these businesses. The study also provides a foundation for further studies of the topical area for Laos products and their possible marketing strategies in regional and world markets.

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Взаимосвязь туристической привлекательности страны и продаж национальных брендов на примере BeerLao

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Аннотация. Изучается динамическая взаимосвязь между туризмом и экспортом пива BeerLao в Лаосе. В ней подробно рассматриваются проведенные исследования, показывающие различные взаимосвязи между въездным туризмом и экономическими показателями различных стран. Лаос — небольшая страна Юго-Восточной Азии, не имеющая выхода к морю, с богатым культурным прошлым, великолепной природой и растущей экономикой, несмотря на свои небольшие размеры. Основу экономики составляет сельское хозяйство, в частности производство риса, хотя постепенно развиваются и другие отрасли, в том числе обрабатывающая промышленность и сфера услуг. Наиболее известным брендом Лаоса является BeerLao — пиво с характерной этикеткой, занимающее почти 100 % рынка страны. Рассматриваются история, производство, маркетинговые стратегии и направления экспорта пива BeerLao, а также элементы, способствующие его экспортному успеху, в частности туризм. Представляется, что допандемический рост успеха BeerLao в мире и динамика въездного туризма в страну коррелируют и имеют взаимовыгодную связь. В исследовании рассматривается вопрос о том, как туризм мог повлиять на объемы экспорта BeerLao и наоборот в допандемический период. Исследование подчеркивает важность туризма и экспорта пива для экономики Лаоса и рекомендует важные направления для дальнейших исследований, а также призвано дать представление об экономическом и культурном значении туризма и экспорта пива в Лаосе и вместе с тем предоставить политикам, инвесторам и другим заинтересованным сторонам содержательную информацию о потенциальных выгодах и проблемах этих видов бизнеса. Материалы могут послужить основой для дальнейших исследований актуальной для Лаоса продукции и возможных стратегий ее маркетинга на региональном и мировом рынках.

Ключевые слова: BeerLao, международный туризм, экспорт, местный бренд, Лаос

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Introduction

Laos is a small landlocked Southeast Asian country bordered by Thailand, Vietnam, Cambodia, China, and Myanmar. Laos has a rich cultural past, magnificent natural beauty, and a rising economy despite its small size. Agriculture, particularly rice production, is the economy's mainstay, although other industries including as manufacturing and services are expanding as well.

Tourism and beer exports are two major economic drivers in Laos. Tourism has been promoted as a means of diversifying the country's economy and alleviating poverty. Tourism has grown steadily in recent years, with over 4 million visitors expected in 2019, earning around $900 million in revenue. Tourism is a major employment in Laos, providing work in hotels, restaurants, transportation, and other associated industries.

BeerLao is a Laotian national brand and a symbol of the country. It is the most popular beer brand in the country, accounting for more than 90 % of the beer market share. BeerLao is famous for its distinct taste and quality, and is created from high-grade rice. The brand has grown in popularity among travelers, who frequently seek it out as a souvenir or a taste of the local culture. BeerLao has also been successful in exporting its products to other nations, which has contributed to the national economy's growth.

In 2021, Laos exported $4.63 million in beer, making it the world's 73rd greatest exporter of beer. Beer was Laos' 113th most exported product the same year. China ($1.74M), Vietnam ($1.46M), Singapore ($685k), Thailand ($251k), and the United States ($251k) are the top beer export destinations from Laos. Between 2020 and 2021, the fastest growing export markets for Laos beer were Singapore ($685k), China ($358k), and the United States ($87k)[1].

The main research goal of this article is to analyze the relationship between tourism in Laos and the export of BeerLao. Specifically, the article aims to explore the following research questions:

- How has tourism in Laos developed over the years, and what are the factors driving its growth? Who are the tourists visiting Laos, and what are the main reasons for their travel?
- What is the significance of BeerLao as a national brand, and how has it been marketed to tourists and exported to other countries?

[1] OEC report, Import and Export of Beerlaos. Retrieved July 7, 2023, from https://oec.world/en/profile/bilateral-product/beer/reporter/lao#:~:text=Exports%20In%202021 %2C%20Laos%20exported,of%20Beer%20in%20the%20world

- What are the export destinations of BeerLao, and what are the factors contributing to its export success?
- Is there a correlation between the popularity of Laos as a tourist destination and the exports of BeerLao?

Materials and methods

Lots of studies have been conducted showing the various correlations between inbound tourism and economic performance of various countries, and the topic has been widely researched area for many years. For example, E. Marrocu has investigated the theoretical patterns of information spillovers in the economy through tourism flows. As tourists buy local products they are then forwarding the feedback to local companies, with the latter further utilizing this information to generate a positive impact on the economy efficiency level. The analysis was applied to almost 200 regions in the EU, revealing positive impact of tourism flows on regional efficiency levels through the roles played by intangible assets, infrastructures and spatial spillovers (Marrocu, Paci, 2011). A more recent research goes even further and proposes models to correlate domestic economic impacts and job numbers in each country generated by non-residents household final expenditures abroad. As the products are easily exported and consumed by households (residents and/or non-residents), this generates jobs at home, but this impact is hardly measured in conventional statistics produced by national agencies. Alsamawi Ali has researched data within 1995–2011 period from over 60 economies, and found that approximately 50 % of the value added in a country were generated indirectly, as well as the total amount of jobs that are directly and indirectly associated with tourism activities (Ali et al., 2021).

Other applicable research by S. Naseem, N. Khan and many similar article have consistently been proving that economic growth in various developing and developed countries has a long-run relationship with number of arrivals and tourist expenditures. The international tourist arrival figures especially have strong relationship with economic growth, compared to other indicators (Naseem, 2021; Khan, Hassan, Fahad, Naushad, 2020). Certainly, the reverse is also true, as research by C. Uğur point out that international trade is important for tourism development in both short-term and long-term relations, despite some minor differences in applications (Çalışkan Uğur et al., 2019).

The mutual connection between tourism and sales of local products has been especially well researched in wine. In a research from A. Guedes it was shown that tourism and wineries are an important and strongly interconnected parts within the Portuguese economy (Guedes et al., 2022). Other research (Madaleno, Eusébio, Varum, 2017) also show that the impact of inbound tourism is also strong in general agro-food exports of Portugal, contributing to breaking informal barriers to trade. Another study by these authors (Madaleno, Eusébio, Varum, 2016) also shows that local products that are sold internationally can potentially act as a tourism marketing tool through attracting attention to products' country of origin among foreigners. Certainly, there are some differences in these patterns depending on the agro-food product type and tourist origin country.

This effect is most likely due to occurrence of the association effect in marketing of these products abroad. Richard Lee has researched the destination-attitude formation unconsciously appearing in the product image perception, linking the visit intention and branding. This concludes that in terms of marketing the country hospitality policy and businesses should have promotional collaboration for competitiveness growth and mutual gains in exports and tourism market (Lee et al., 2021).

Other developing countries also show similar patterns of tourism-export correlations, and most interestingly, these can concentrate in just several product groups. In A. Refiana study of Indonesian exports connection to tourist inflow was shown that the preferences of tourists from Malaysia, Singapore, China, Japan, and Australia for Indonesian products are mostly in "food and beverages (primary)" and "food and beverages (processed)", followed only then with "industrial commodities" and "consumer goods". These results conclude that inbound tourism can stimulate export performance in certain areas (Refiana, Purwono, 2021).

Tourism in Laos

Laos boasts a diversified attractions assortment that appeal to a wide spectrum of people, including adventure seekers, cultural enthusiasts, environment lovers, and spiritual seekers. Other popular tourist destinations, in addition to Luang Prabang, Vientiane, and the Plain of Jars, include Vang Vieng, a picturesque town nestled among karst hills and rice paddies, and the Bolaven Plateau, a scenic highland region known for its coffee plantations, waterfalls, and ethnic minority communities.

Over the past ten years, the tourism industry has grown propelled by factors like rising earnings, increased public knowledge of Laos as a tourist destination, and enhanced air connections. While tourists from nearby nations like Thailand, Vietnam, and China make up the majority of visitors to Laos, there have also been an increasing number of travelers from Europe, Australia, and North America (Table 1).

Table 1

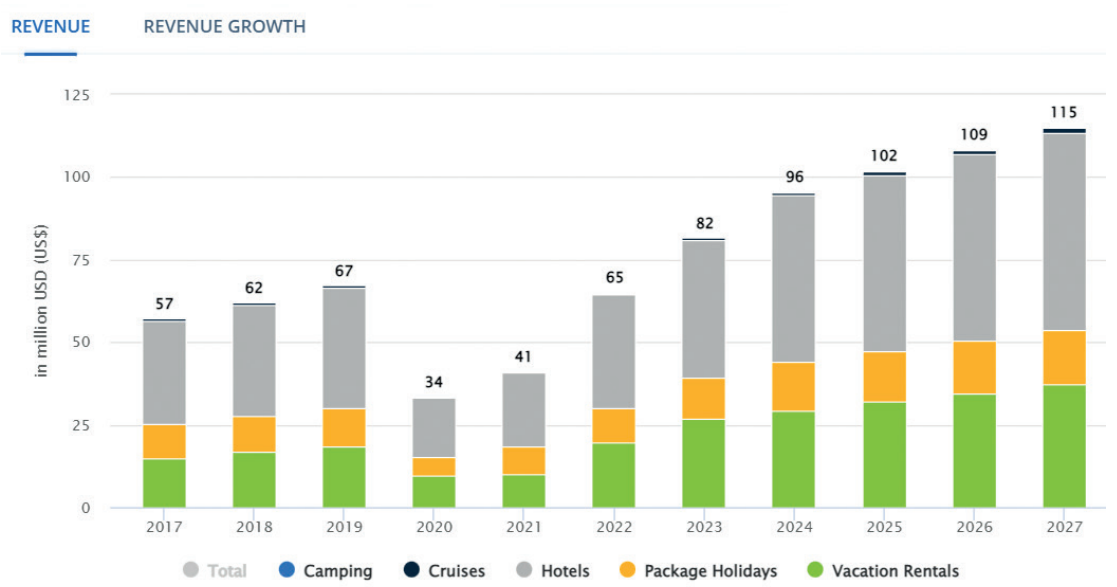
Top 10 countries by number of tourist arrivals to Laos in 2019

Country	Number of arrivals in 2019
Thailand	2.160.300
Vietnam	924.875
China	1.022.727
South Korea	203.191
USA	61.184
France	44.416
Japan	41.736
UK	31.976
Germany	25.346
Australia	24.750

Source: Statistical report on tourism in Laos. Retrieved July 18, 2023, from https://wearelao.com/sites/default/files/Statistical-Report-on-Tourism-2019.pdf

According to this data, the majority of tourists who visit Laos come from its neighbors, namely Thailand (2.1 million), Vietnam (924,875), and China (nearly 1 million). In 2019, more than 80 % of all foreign visitors to Laos came from these three nations. Arrivals from other areas, such as Europe and North America, have, nevertheless, also increased noticeably.

Laos' tourism sector is mostly driven by the private sector, with a mix of small– and large-scale businesses providing services in the lodging, travel, food and beverage, and tour sectors. The government invests in infrastructure development, including the expansion of airports and the creation of new tourist attractions, in addition to playing a role in promoting tourism through legislative and regulatory frameworks, generating revenue growth (Figure).



Revenue dynamics in Laos tourism

Source: Statista Market Insights, Travel and Tourism, Retrieved August 25, 2023, from https://www.statista.com/outlook/mmo/travel-tourism/laos#revenue

The need to strike a balance between economic development and social and environmental sustainability is one of the issues facing Laos' tourism industry. Concerns have been raised regarding how tourism may affect local communities, cultural heritage, and natural resources. The public and business sectors are progressively embracing sustainable tourism strategies to solve these problems, such as promoting responsible travel, assisting community-based tourist efforts, and spending money on eco-friendly projects and activities.

Laos has seen a steady increase in the number of tourists over the past ten years, with 4.79 million foreign arrivals in 2019 compared to 2.28 million in 2010. This reflects an annual growth rate of 9.5 % on average, which is higher than the region's average growth rate (Table 2).

Table 2

Tourist Arrivals to Laos by Nationality (Market Share) in 2019

Region	Tourist arrivals	Market share, %
ASEAN	3.198.829	66.7
Asia Pacific	1.317.478	27.5
Europe	182.465	3.81
Americas	82.652	1.73
Africa and Middle East	9.641	0.2

Source: Statistical report on tourism in Laos. Retrieved July 18, 2023, from https://wearelao.com/sites/default/files/Statistical-Report-on-Tourism-2019.pdf

With 45.09 % of all arrivals in 2019, Thailand continued to be the top source market for Laos, followed by Vietnam (19.3 %), China (21.35 %), South Korea (4.24 %), and Japan (0.8 %). The United States provided about 2 % of arrivals, making up about 3.8 % of the total (according to a Statistical report on tourism in Laos).

Tourists from nearby nations like Thailand and Vietnam frequently travel to Laos for brief stays of a few days to a week. Visitors from farther away regions, like Europe and North America, frequently remain for longer periods of time—anywhere from a few weeks to several months.

One of the challenges facing the tourism industry in Laos is the need to diversify its source markets, to reduce dependence on neighboring countries and tap into new markets with higher spending power. The government has been taking steps to promote Laos as a destination for high-end tourism, with a focus on sustainable tourism practices and niche markets such as ecotourism, cultural tourism, and adventure tourism.

The majority (over 97 %)[2] of all visitors to Laos come for leisure and pleasure, which continues to be the primary motive for travel. According to a statistical analysis on tourism in Laos, business travel and MICE (meetings, incentives, conferences, and exhibitions) make up about 10 % of arrivals, while other reasons including education and volunteer work make up the remaining 10 %.

It is crucial for Laos to further develop and maintain its tourism infrastructure, including its airports, highways, and lodging, in order to draw and keep tourists. Significant investment has been made in tourism-related infrastructure recently, including the creation of new tourist attractions and activities, the expansion of the international airports in Vientiane and Luang Prabang, and the building of new hotels and resorts.

[2] Statista Travel & Tourism Laos, Travel Behavior. Retrieved July 25, 2023, from https://www.statista.com/outlook/mmo/travel-tourism/laos#travel-behavior

BeerLao brand in Laos

Laos has a long history with BeerLao. The Lao government chose to start a brewery in the 1960s after realizing the potential of the beer market. The Lao Brewery Company (LBC) was founded in 1971 by the Lao government and foreign partners, notably Carlsberg and Heineken. Currently, the Carlsberg Group and the Lao government jointly own a corporation. In 1973, the brewery opened in Vientiane and started making beer. Due to its expensive price and the fact that many Lao people preferred to drink rice wine or foreign beer, BeerLao was initially not extremely well-liked. But over time, BeerLao gained popularity, especially among travelers who valued its exceptional flavor and quality. It can be said that today BeerLao represents Lao culture, pride, and identity in addition to being a beverage.

BeerLao's manufacturing procedure is kept a closely-guarded trade secret. However, it is well known that the beer is brewed with locally grown rice and premium hops that are imported from the Czech Republic and Germany. A mash is made from milled rice and water, which is then boiled and fermented with yeast. The beer is filtered, carbonated, and bottled following the fermentation process, which takes around 10 days.

BeerLao brand is available in several varieties, including the original BeerLao Lager, BeerLao White Lager, BeerLao Dark, and BeerLao Gold. The Lager is the most popular variety and has a light, refreshing taste with a slightly sweet flavor. The Dark is a more full-bodied beer with a slightly bitter taste and a darker color. The Gold is a premium beer with a smooth, balanced flavor and is often served at special occasions.[3]

BeerLao's branding is one of the major elements that boosts its appeal. The stylized tiger head can be seen on the BeerLao logo. Being the symbol of power and strength, the associated images are frequently found on t-shirts, hats, and other items in Laos, providing extra awareness. As the current time requires, BeerLao has also utilized social media, events, sponsorships, and other promotional initiatives.[4] BeerLao's Facebook page has over 670,000 likes, and it regularly posts updates about new products, promotions, and events. It also runs contests and giveaways, which help to increase engagement and attract new followers. For example, in 2020, BeerLao launched a campaign called "Tiger Streaks", which encouraged customers to share photos of themselves with BeerLao products on social media. The campaign generated over 1,500 entries and helped to increase awareness of the brand.

Tourists are drawn to BeerLao for a variety of reasons, including its distinct flavor, high quality, and well-established brand. First of all, BeerLao stands out from other beers in the area with its distinctive flavor. The beer has a crisp, refreshing flavor that is perfect for Laos' hot climate and is prepared with locally sourced rice. Visitors frequently remark on how smooth and simple to drink BeerLao is, which makes it a popular option for social events and dining occasions.

[3] BeerLao homepage. Retrieved August 13, 2023, from https://www.beerlao.la/brands/beer/

[4] Ibid.

Secondly, the quality of BeerLao is widely recognized among beer aficionados. The beer is produced using traditional methods and high-quality ingredients, which result in a consistent and reliable product. Additionally, BeerLao has won several international awards for its quality, including a gold medal at the Monde Selection competition in Brussels in 2006 and in Japan 2007[5].

Finally, the abovementioned logo choice has also helped the brand to become more well-known among travelers, as the tiger head is a popular Laotian national emblem. Additionally, BeerLao has invested in marketing initiatives including sponsorships and events, which have aided in raising brand awareness among travelers.[6] One of the most famous partnerships was the Vientiane Beer Festival and the Luang Prabang Film Festival. These events provide an opportunity for BeerLao to showcase its products and engage with customers in a fun and festive environment. For example, at the Vientiane Beer Festival, BeerLao set up a large booth with multiple taps and offered free samples of its products. This helped to attract a large crowd and generate interest in the brand.

BeerLao has also partnered with other brands and organizations to promote its products. For example, it has collaborated with the Lao Airlines to offer BeerLao products on its flights, and with the popular clothing brand "Lao Artisans" to create custom BeerLao t-shirts and accessories. These partnerships helped in raising the visibility of the BeerLao brand and attract new customers.

Overall, BeerLao's marketing strategies in cooperation with a large transnational corporation have been successful in promoting its brand and products to both locals and tourists. By utilizing social media, sponsoring events, and partnering with other brands, Carlsber has been able to increase BeerLao visibility and build a loyal customer base.

Export Destinations of BeerLao

BeerLao has become increasingly popular not only among tourists visiting Laos but also among beer drinkers around the world, as the product has been exported to a number of countries, predominantly neighboring Southeast Asian nations. The primary destinations for BeerLao exports are Thailand, China and Vietnam which is unsurprising given its proximity to Laos and the large number of Thai, Chinese and Vietnamese tourists who visit Laos each year. In addition, BeerLao is also exported to other Southeast Asian countries such as Cambodia, and Malaysia.

Outside of the region, BeerLao has made inroads in a number of other countries as well with the aid of Carlsberg group. In Europe, for example, it is available in France, Belgium, Germany, and the Netherlands, among others. BeerLao has

[5] BeerLao homepage, Awards. Retrieved July 16, 2023, from https://www.beerlao.la/lao-brewery/awards/

[6] EuroCham Laos News. Retrieved July 16, 2023, from https://eccil.org/news/eccil-members-friends-blast-oktoberfest/

also gained a foothold in North America, with distribution in the United States and Canada.

BeerLao exports have steadily increased in recent years. In 2019 Vietnam remains the largest export market, accounting for over 60 % of BeerLao exports, followed by China at 19 % and Thailand around 10 %.[7] The company has stated that it plans to further expand its export market, particularly in Europe and North America, in the coming years. According to Lao PDR Beer; made from malt exports by country in 2019, It should be noted that while this table provides the export value for all beer from Laos, BeerLao has a dominant market share in Laos, accounting for over 90 % of the country's beer consumption[8]. Therefore, it can be assumed that a significant portion of the beer exported from Laos is BeerLao (Table 3).

Table 3

Lao PDR Beer made from malt, exports by country in 2019

Reporter	Product Description	Year	Partner	Trade Value 1000 USD	Quantity (Liter)
Lao PDR	Beer; made from malt	2019	World	7510.40	6 560 970
Lao PDR	Beer; made from malt	2019	Vietnam	4867.88	3 565 600
Lao PDR	Beer; made from malt	2019	China	1496.76	1 828 750
Lao PDR	Beer; made from malt	2019	Thailand	576.82	590 465
Lao PDR	Beer; made from malt	2019	United States	176.49	156 312
Lao PDR	Beer; made from malt	2019	United Kingdom	92.79	93 735.4
Lao PDR	Beer; made from malt	2019	Cambodia	88.55	108 058
Lao PDR	Beer; made from malt	2019	France	64.94	66 528
Lao PDR	Beer; made from malt	2019	Korea, Rep.	39.37	46 176
Lao PDR	Beer; made from malt	2019	Japan	39.30	38 491.2
Lao PDR	Beer; made from malt	2019	Australia	38.91	37 932
Lao PDR	Beer; made from malt	2019	Singapore	10.23	9921.6

Source: WITS Lao PDR Beer exports statistics. Retrieved July 15, 2023, from https://wits.worldbank.org/trade/comtrade/en/country/LAO/year/2019/tradeflow/Exports/partner/ALL/product/220300

[7] WITS Lao PDR Beer exports statistics. Retrieved July 15, 2023, from https://wits.worldbank.org/trade/comtrade/en/country/LAO/year/2019/tradeflow/Exports/partner/ALL/product/220300

[8] WIPO, International Success of Laotian Beer. Retrieved July 15, 2023, from https://www.wipo.int/ipadvantage/en/details.jsp?id=2514

However, that the COVID-19 pandemic has had a significant impact on BeerLao exports in 2021, decreasing its sales decreased by 37 % in value terms compared to 2020.[9] The Lao Brewery Company has had to adjust its export strategy and focus on domestic sales during this time. Nonetheless, the pre-pandemic export of BeerLao demonstrates the popularity and appeal of the brand beyond Laos and Southeast Asia.

BeerLao's export success can be attributed to several factors. One of the most important factors is the quality of the beer, as it utilizes high-quality ingredients[10] in a labor intensive traditional brewing process, resulting a distinct and unique taste that distinguishes itself among other beer brands in the market. The brewery also ensures consistent quality across all batches of beer, which has helped to build trust and loyalty among consumers both in Laos and abroad.

Another factor contributing to BeerLao's success is its strong branding with the aid of Carlsberg group. The iconic logo of a tigerhead and the use of the slogans like "drink Beerlao, absorb Lao culture" and "BeerLao, Beer of wholehearted people" has helped to position the beer as a symbol of Laos and its culture. The branding has been consistent across all marketing channels, from traditional advertising to social media, which has helped to create a strong and recognizable brand image.

BeerLao's export accomplishments have also been aided by pricing. The beer is reasonably priced when compared to other premium imported beers, making it a desirable choice for those seeking a high-quality beer at a reasonable cost. The product export price has been relatively stable over the years, as it went from $1.08 in 2017 to $1.21 in 2018, and then dropped to $0.88 in 2020 and 2021. By keeping the beer cost consistent the brewery is additionally contributing to consumer trust and its market position maintenance.[11]

Lastly, due to connection to Carlsberg group, BeerLao managed to expand its distribution networks that have become crucial to the company's export success. The brewery has formed alliances with big distributors in crucial regions such as Thailand and Vietnam, ensuring that their beer is widely available. Furthermore, the brewery has invested in expanding its production capacity to meet rising demand, allowing it to keep up with rising export volumes.

In terms of regulatory frameworks, BeerLao exports to particular countries may be subject to import laws and duties, which can affect export volume and profitability. The European Union, for example, has levied anti-dumping tariffs on BeerLao's exports to the region.

In terms of market conditions, both BeerLao exports and Lao tourism are influenced by macroeconomic factors such as currency rates and economic growth

[9] TrendEconomy, Laos trade in Beer made from malt. Retrieved July 18, 2023, from https://trendeconomy.com/data/h2/Laos/2203

[10] BeerLao homepage, ingredients. Retrieved July 15, 2023, from https://www.beerlao.la/brewing/ingredient/

[11] Selina Wamucii Insights, Laos beer exports. Retrieved July 20, 2023, from https://www.selinawamucii.com/insights/prices/lao/beer/

rates. A strong Thai baht, for example, can make BeerLao more expensive for Thai customers, but a weak Thai baht can make BeerLao more competitive in the Thai market. Similarly, economic growth and wealth levels in various countries might influence demand for tourists and imported goods.

Relationship between Tourism and BeerLao's Exports in the pre-pandemic period

BeerLao's success in exporting its products is closely linked to tourism in Laos, as tourists are a major target consumer group and contribute significantly to the demand for its products. The number of tourists visiting Laos has been growing steadily over the past decade, with a total of 4.79 million international arrivals in 2019, up from 2.28 million in 2010. During this period, BeerLao's exports also grew, from 1.5 million USD in 2010 to 7.5 million USD in 2019 (Table 4).

Table 4

Number of tourist arrival and Beerlao export value by year

Year	Tourist arrival (million)	Beerlaos Export Value (USD)
2010	2.5	1.58
2011	2.7	2.13
2012	2.3	2.11
2013	3.7	3.12
2014	4.1	7.11
2015	4.6	20.6
2016	4.2	20.1
2017	3.8	12
2018	4.1	9.9
2019	4.7	7.5

Source: Composed by authors from statistical report on tourism in Laos 2020 and TrendEconomy Laos trade in Beer made from malt. Retrieved July 18, 2023, from https://trendeconomy.com/data/h2/Laos/2203 and https://wearelao.com/sites/default/files/Statistical-Report-on-Tourism-2020.pdf

A correlation analysis of these two variables shows a positive relationship, with a correlation coefficient of 0.71, suggesting a relationship between tourism and BeerLao's exports. During the period of 2010 to 2019, the number of tourists visiting Laos increased by 110.5 % while BeerLao's exports grew by 400 %. Although

correlation does mean causation, it is possible that as the number of tourists visiting Laos increases, the exports of BeerLao also tend to increase. Whoever, it is important to note other factors that may also be influencing the growth of tourism and beer exports in Laos.

Although the travel and tourism sector saw significant growth in 2015 and 2016, tourism's relative share of GDP substantially fluctuated in recent years averaging 12.5 percent from 2016–1019, before the onset of the COVID-19 global pandemic[12]. As studies show (Ali et al., 2021), tourism sector also has a certain multiplier effect on other sectors, including agriculture and manufacturing, which includes beer production.

Overall, tourism and BeerLao exports have a mutually beneficial relationship, as an increase in tourism flows in pre-pandemic period coincided with BeerLao's exports, potentially impacting the demand for BeerLao in both the domestic and foreign markets. An interesting outlook to future study is, however, the potential impact of BeerLao's exports on inbound tourism in Laos. BeerLao may have been able to engage more in marketing and promotional operations as it develops into new export markets, which might assist raise awareness of Laos as a vacation destination. Some studies are showing that joint brand advertisements with highly familiar national tourist brands provide a favourable influence on tourists' behavioural intentions towards heritage sites, and the latter brand's credibility, meaning that marketers should resort to joint brand advertisements with familiar brands to effectively promote emerging heritage sites (Can et al., 2021).

Laos is a developing country that heavily relies on tourism as a source of foreign currency and job creation. In recent years, the country has experienced a steady growth in the number of tourist arrivals, with over 4.6 million visitors in 2019. However, the COVID-19 pandemic has severely impacted the tourism industry worldwide, including Laos, where the number of arrivals dropped to less than 900,000 in 2020.[13]

Changes in tourism flows could have a considerable impact on BeerLao's exports, as visitors are a crucial market for the beer brand. When tourists visit Laos, they frequently consume local products such as BeerLao to learn about the country's culture and cuisine. As a result, a fall in visitor arrivals may result in a decrease in demand for BeerLao, both domestically and internationally. As of today, the country could only regain 1294 338 tourist arrivals in 2022, which is rather small comparing to the pre-pandemic period, but a huge success after a devastating 0 in 2021[14]. Most tourists are arriving from the same list of countries — Thailand, Vietnam, China, South Korea and the United States.[15] Interestingly, the overall

[12] International trade administration, Country Commercial Guides Laos. Retrieved July 23, 2023, from https://www.trade.gov/country-commercial-guides/laos-tourism-infrastructure-and-resorts

[13] ECCIL reports, Statistical report on tourism 2020. Retrieved July 18, 2023, from https://eccil.org/wp-content/uploads/2021/06/Statistical-Report-on-Tourism-2020.pdf

[14] TradingEconomics, Laos Tourist Arrivals. Retrieved July 14, 2023, from https://tradingeconomics.com/laos/tourist-arrivals

[15] The Laotian Times, Almost 1.3 Million Tourists Visited Laos in 2022. Retrieved July 20, 2023, from https://laotiantimes.com/2023/02/16/almost-1-3-million-tourists-visited-laos-in-2022/

BeerLao's exports in 2021 have bounced back to slightly over 5 million liters,[16] showing a much higher consistency and stability comparing to tourist arrival figures, but now with China taking the lead over Vietnam in consumption. This might mean that the pre-pandemic correlation needs to be reconsiders, as some other factors have come into play after 2020. As further statistics will be gathered, future research of this topic is important.

Several difficulties and trends, however, may define the future of both the Laos tourism industry and BeerLao exports. One of them is increased rivalry in the global beer market as more brands and kinds enter the market. BeerLao may need to continue to reinvent its products, marketing techniques, and distribution channels in order to maintain its unique character and quality.

Another concern is shifting consumer choices and behaviors, which may have an impact on demand for BeerLao and tourism in Laos. Younger generations, for example, may have different tastes and expectations than older generations, and they may choose various sorts of alcoholic beverages or travel destinations. Furthermore, the COVID-19 epidemic has hastened the transition to digitalization and e-commerce, which may need BeerLao adapting to new modes of marketing and advertising its products.

Overall, the future of Laos tourism and BeerLao exports is dependent on a variety of factors, including the global economy, consumer trends, and government policy. However, by comprehending the connection of these two sectors and adapting to changing conditions, Laos and BeerLao may be able to grab prospects for growth and development in the coming years.

Conclusion

In conclusion, BeerLao pre-pandemic dynamic seems as a good example of how the tourism and agro-food industries are interwoven and how important both tourism and beer exports are to Laos' economy. Over time, there has been a marked increase in the number of tourists visiting Laos, which has probably helped BeerLao's exports develop in pre-pandemic period. Due to its distinctive flavor, quality, branding, pricing, and distribution methods, BeerLao has successfully expanded its export markets to nations in Southeast Asia, Europe, and North America.

There is a positive association between BeerLao exports and tourism in Laos, according to an examination of the two variables. BeerLao's exports have been significantly impacted by changes in tourist flows, such as the COVID-19 epidemic, as evidenced by the decline in export volumes to important markets. As seen by the marketing of BeerLao as a component of Laos' cultural and tourism offers, changes in BeerLao's exports, on the other hand, can also have a significant impact on tourism.

[16] WITS Lao PDR Beer exports statistics. Retrieved July 15, 2023, from https://wits.worldbank.org/trade/comtrade/en/country/LAO/year/2021/tradeflow/Exports/partner/ALL/product/220300

Both the global beer market and the Laos tourism sector face opportunities and problems in the future. BeerLao and the tourism sector in Laos may benefit from trends like the rise of craft beer and sustainable tourism. But difficulties including heightened rivalry, shifting customer preferences, and environmental worries might create significant barriers.

Overall, the connection between tourism and beer exports in Laos shows the possibility for cooperative relationships between two significant economic sectors, but the obvious pattern change after 2020 needs further research upon gathering new export statistics. A greater understanding of the relationship between tourism and exports in different nations and regions can be achieved with the help of additional research in this field.

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