

An Empirical SWOT Analysis of Marketing Strategy and Competitive Dynamics in Rural Tourism: A Case Study of Nanyang City, Henan Province, China

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Abstract: This empirical study investigates the marketing strategies and competitive dynamics shaping rural tourism development in Nanyang City, Henan Province, China. Utilizing a mixed-methods approach combining quantitative surveys of tourists (n=250) and qualitative in-depth interviews with key stakeholders (n=20, including tourism operators, local government officials, and community representatives), the research conducts a comprehensive SWOT analysis. Findings reveal significant internal strengths, such as Nanyang's rich cultural heritage (e.g., Han Dynasty relics) and unique natural landscapes (e.g., Funiu Mountain), alongside critical weaknesses including underdeveloped infrastructure, limited digital marketing capabilities, and seasonal fluctuations. Key external opportunities identified encompass rising domestic demand for experiential travel and supportive government rural revitalization policies, while threats involve intensifying competition from neighboring destinations and environmental sustainability pressures. The analysis specifically unpacks how these factors dynamically interact to influence Nanyang's current marketing effectiveness (e.g., brand positioning, promotion channels) and competitive positioning within the regional tourism market. The study concludes by proposing targeted strategic recommendations aimed at leveraging strengths and opportunities while mitigating weaknesses and threats, ultimately contributing to enhancing Nanyang's rural tourism competitiveness and sustainable growth.

Keywords: Rural Tourism ; SWOT Analysis ; Marketing Strategy ; Competitive Dynamics ; Nanyang City

1.CONTEXTUALIZING RURAL TOURISM DEVELOPMENT IN NANYANG CITY

Rural tourism has emerged as a critical engine for sustainable economic diversification, poverty alleviation, and cultural preservation within China's broader national development strategy. Recognized as a key pillar of the Rural Revitalization Strategy, it aims to counterbalance urban-rural disparities by leveraging the unique natural, cultural, and agricultural assets of the countryside. Henan Province, as a historical heartland and major agricultural base, holds significant potential for rural tourism development. Within this provincial context, Nanyang City occupies a position of considerable importance. Strategically located in southwestern Henan, bordering Hubei and Shaanxi, Nanyang boasts a rich tapestry of resources: profound historical significance as the reputed home of Zhuge Liang and a hub during the Han Dynasty; diverse natural landscapes encompassing the Funiu Mountain UNESCO Global Geopark, Danjiangkou Reservoir, and fertile plains; and vibrant intangible cultural heritage rooted in its agricultural traditions. These endowments position Nanyang as a prime candidate for leveraging rural

tourism to stimulate local economic growth, create employment, and foster community pride.

Despite this significant potential, the effective development and competitive positioning of Nanyang's rural tourism sector face substantial challenges. Marketing efforts often appear fragmented, lacking a cohesive brand identity and struggling to effectively reach target markets beyond the immediate region. Concurrently, the competitive landscape is intensifying, both from established destinations within Henan (like Luoyang or Jiaozuo) and emerging rural tourism offerings in neighboring provinces. While generic studies on rural tourism in China exist, there is a critical lack of empirically grounded, localized research specifically addressing the interplay of marketing strategies and competitive dynamics in Nanyang. Understanding the precise internal capabilities (Strengths and Weaknesses) and external market forces (Opportunities and Threats) shaping Nanyang's rural tourism competitiveness is essential, yet remains underexplored.

Therefore, this study aims to fill this research gap by conducting an empirical SWOT analysis focused explicitly on the marketing strategy and competitive factors influencing rural tourism in Nanyang City. Its primary objectives are: (1)

To empirically identify and analyze the key internal Strengths and Weaknesses pertaining to Nanyang's rural tourism marketing resources and competitive capabilities; (2) To empirically identify and analyze the critical external Opportunities and Threats impacting the marketing environment and competitive landscape for Nanyang's rural tourism; (3) To evaluate the current effectiveness of marketing strategies employed within the sector based on the identified SWOT factors; (4) To assess Nanyang's competitive positioning within the regional rural tourism market dynamics; and (5) To propose actionable, evidence-based strategic recommendations to enhance marketing effectiveness, bolster competitive advantage, and foster the sustainable development of rural tourism in Nanyang. This research provides a crucial strategic roadmap for local stakeholders and contributes a detailed case study to the broader literature on rural tourism competitiveness in China.

2.THEORETICAL FOUNDATIONS OF MARKETING, COMPETITION, AND SWOT IN TOURISM

The development of competitive rural tourism destinations rests upon interconnected theoretical pillars encompassing marketing, competitive advantage, and strategic analysis. This section synthesizes key concepts and scholarly perspectives underpinning the empirical investigation of Nanyang City's rural tourism sector. Rural tourism marketing transcends the promotion of mere accommodation or attractions; it involves marketing an integrated experience rooted in the unique natural, cultural, agricultural, and social fabric of the countryside. Effective marketing strategies for rural destinations must address the distinct characteristics of the product – often intangible, experiential, and fragmented across numerous small providers – and the specific motivations of target segments seeking authenticity, escape, nature, heritage, and community interaction. Crucially, contemporary rural tourism marketing emphasizes sustainability, community involvement, and the creation of a strong, cohesive destination brand that communicates unique value propositions and differentiates the locale from competitors. Digital marketing channels and storytelling have become increasingly vital in reaching and engaging modern tourists.

Understanding a destination's position requires grounding in competitive advantage theory within tourism. Competition in tourism occurs not just between individual businesses but, more significantly, between entire destinations vying for market share and tourist expenditure. The concept of destination competitiveness focuses on a destination's ability to attract visitors, deliver satisfying experiences, and generate economic benefits sustainably, relative to its competitors. Key determinants include core resources and attractors, supporting factors, destination management, and qualifying/amplifying conditions (location, safety, cost/value) diamond model, adapted to destinations, highlights the interplay of factor conditions, demand conditions, related/supporting industries,

and firm strategy/rivalry, alongside the roles of government and chance. Sustainable competitive advantage hinges on creating unique, difficult-to-replicate experiences based on distinctive resources and effective management, directly relevant to analyzing Nanyang's position amidst regional rivals.

SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) serves as a fundamental strategic planning tool to synthesize internal capabilities and external environmental factors. Originating in business strategy, its application within tourism destination planning and management has become widespread due to its conceptual simplicity and ability to provide a structured overview. Strengths and Weaknesses represent internal, controllable factors inherent to the destination. Opportunities and Threats represent external, largely uncontrollable factors arising from the macro-environment (e.g., market trends, technological shifts, policy changes, competitor actions, socio-economic conditions). While sometimes critiqued for potential subjectivity and static presentation, its utility lies in systematically identifying critical issues and informing strategic choice. Within tourism research, SWOT is frequently employed to diagnose destination status, formulate strategies, and assess development potential, particularly in rural and regional contexts. Recent applications emphasize the need for empirical grounding (moving beyond expert opinion alone) and dynamic interpretation, where the interaction between internal and external factors is explicitly analyzed to generate actionable strategies for enhancing competitiveness and sustainability. Studies specifically applying SWOT to rural tourism marketing and competition in China are emerging but often lack the granular, empirically rich case study focus this research provides for Nanyang (e.g., Li, 2008; Wang et al., 2020).

This review establishes that analyzing Nanyang's rural tourism requires integrating these three domains: understanding the unique nature of rural tourism marketing, applying frameworks of destination competitiveness to identify key success factors, and utilizing the structured yet adaptable SWOT methodology to empirically diagnose the specific internal and external factors shaping its marketing effectiveness and competitive position. The following methodology chapter details how this synthesis is applied empirically within the Nanyang context.

3.AN EMPIRICAL APPROACH TO ANALYZING NANYANG'S RURAL TOURISM

This study employed a mixed-methods case study design to ensure comprehensive empirical analysis of Nanyang's rural tourism marketing and competitiveness. Data collection occurred through tourist surveys (n=300) using structured questionnaires administered at key sites and online, capturing perceptions of marketing effectiveness, destination attributes, and competitiveness. Concurrently, semi-structured interviews

with 20 stakeholders (tourism operators, local officials, community representatives, experts) explored SWOT factors and strategic challenges. Purposive sampling targeted relevant tourists and key informants, with stakeholder interviews continuing until thematic saturation.

The study focuses on Nanyang City in southwestern Henan Province, characterized by diverse rural tourism assets: the Funiu Mountain UNESCO Global Geopark (west), agricultural plains (central), Danjiangkou Reservoir (east), and significant cultural heritage. Key development areas include Neixiang, Xixia, and Zhenping counties.

Quantitative data was analyzed using SPSS (Version 28) for descriptive statistics (frequencies, means) and inferential tests (t-tests, ANOVA, correlations) to identify patterns. Qualitative interview transcripts underwent thematic analysis in NVivo (Version 14) using inductive and deductive coding to identify SWOT themes. Findings from both datasets were triangulated to develop an empirically grounded SWOT matrix, with explicit analysis of factor interactions. Ethical protocols including informed consent and anonymity were strictly followed. This integrated approach ensured robust, context-specific insights for strategic recommendations.

4. INTERNAL FACTORS - STRENGTHS AND WEAKNESSES OF NANYANG'S RURAL TOURISM

Empirical analysis reveals distinct internal factors shaping Nanyang's rural tourism competitiveness. Key strengths are anchored in its unique resource endowment. Natural assets, particularly the UNESCO-listed Funiu Mountain Global Geopark and Danjiangkou Reservoir, are major draws, cited by 78% of surveyed tourists as primary motivators. Rich cultural heritage, including Han Dynasty relics and the legacy of Zhuge Liang, provides authentic differentiation, with stakeholder interviews emphasizing its underutilized potential. The diversity of offerings – integrating ecotourism, agritourism (notably in Zhenping County), and cultural experiences – creates a multifaceted appeal. Existing niche products, like specialized homestays in traditional villages and seasonal harvest festivals, demonstrate emerging product development capability, though scalability remains a challenge.

Conversely, significant weaknesses hinder marketing effectiveness and competitiveness. Infrastructure deficits are critical: 65% of tourists reported dissatisfaction with transportation connectivity to remote sites, and inconsistent sanitation/waste management was frequently noted. A pronounced digital marketing gap exists; only 22% of operators utilize dedicated online platforms beyond basic social media, limiting reach and engagement. Stakeholder interviews highlighted fragmented branding and promotion, with no unified destination narrative, reducing market cut-through. Operational limitations include pronounced seasonality causing off-season economic strain, inconsistent

service quality and hospitality training across SMEs, and insufficient value-added experiences (e.g., lack of deep cultural immersion activities), leading to shorter stays and lower expenditure. These internal vulnerabilities directly constrain Nanyang's ability to capitalize on its strengths and effectively compete regionally. The analysis reveals structural gaps in leveraging core assets for sustained competitive advantage.

5. EXTERNAL FACTORS - OPPORTUNITIES AND THREATS FOR NANYANG'S RURAL TOURISM

External analysis identifies significant opportunities and threats impacting Nanyang's market position. Key opportunities stem from favorable market and policy trends. Surging domestic demand for authentic, experiential, and nature-based travel post-pandemic presents a major growth avenue, with 82% of surveyed tourists expressing interest in returning for deeper cultural immersion. Strong policy support, particularly China's Rural Revitalization Strategy and initiatives like the "National Rural Tourism Boutique Routes," offers access to funding, infrastructure grants, and technical assistance, noted by all government interviewees. The rapid adoption of digital platforms (e.g., Douyin, Xiaohongshu) provides cost-effective channels for targeted marketing and storytelling, though current utilization is low. Growing interest in wellness tourism and agro-ecology aligns well with Nanyang's natural assets. Potential exists to develop regional cluster partnerships with neighboring Hubei/Shaanxi destinations, enhancing itinerary appeal.

However, potent threats challenge sustainability and competitiveness. Intensifying regional competition is paramount: destinations like Luoyang (with superior branding and accessibility) and emerging rural spots in neighboring provinces (often copying concepts but with better marketing) erode market share, confirmed by tourist preference comparisons and operator concerns. Market homogenization risks diluting Nanyang's unique offerings if experiences become standardized. Environmental pressures threaten core assets; stakeholders reported visible strain from unmanaged visitation at sensitive sites like Funiu Mountain, compounded by climate change impacts (e.g., drought affecting reservoir levels). Economic and social shifts pose risks: rising operational costs (energy, labor) squeeze small operators, and outmigration of youth creates a skilled hospitality labor shortage, hindering service quality improvements. These external forces necessitate proactive strategies to mitigate risks and leverage favorable conditions.

6. INTERPRETING THE SWOT FOR MARKETING AND COMPETITIVE STRATEGY

The integrated SWOT analysis reveals critical strategic implications for Nanyang's rural tourism development. Marketing effectiveness is hampered by internal-external misalignment: While surging demand for authentic experiences aligns perfectly with Nanyang's cultural/natural strengths, fragmented branding and digital marketing gaps prevent clear market positioning and limit reach. The absence of a unified narrative fails to differentiate Nanyang from homogenized competitors, squandering its unique resource advantage. Product development opportunities are constrained: Rising interest in wellness and agro-tourism matches Nanyang's diverse assets, yet operational limitations like inconsistent service quality and lack of deep immersion activities restrict value creation and lengthen stays. Seasonal fluctuations further undermine efforts to capitalize on market trends.

Regarding competitive dynamics, Nanyang's current position is vulnerable. Intensifying regional competition exploits infrastructure deficits and marketing fragmentation, eroding market share despite the destination's inherent appeal. Conversely, strategic opportunities exist through leveraging strengths against threats: Promoting Nanyang's unique blend of Han heritage, geopark ecotourism, and authentic agritourism can counter homogenization and regional rivals. Cluster partnerships could mitigate accessibility issues by creating multi-destination itineraries. Policy support offers pathways to address critical weaknesses: funding can upgrade infrastructure and finance digital marketing capacity building, while sustainability grants can help manage environmental pressures threatening core assets. Proactively mitigating these threats is essential to preserve competitive advantages rooted in natural and cultural resources. This synthesis underscores that enhancing competitiveness requires simultaneously leveraging strengths to seize opportunities, addressing weaknesses to fend off threats, and strategically aligning internal capabilities with external market realities.

7. PATHWAYS FOR ENHANCED COMPETITIVENESS

This empirical SWOT analysis confirms Nanyang's rural tourism potential is anchored in unique natural/cultural assets and diverse offerings, yet constrained by critical internal weaknesses (infrastructure gaps, digital marketing deficiencies, fragmented branding, operational limitations) and external threats (intensifying competition, environmental pressures). Strategic alignment is essential to leverage opportunities like strong policy support and growing experiential travel demand.

Actionable recommendations include: (1) Establishing a unified destination brand ("e.g., Nanyang: Cradle of Han Wisdom, Heart of Nature") and launching a centralized digital platform for integrated booking and storytelling; (2)

Prioritizing policy funds to upgrade rural transport/sanitation while incentivizing year-round, value-added experiences (e.g., cultural workshops, agro-wellness retreats) and hospitality training; (3) Targeting niche segments (cultural/heritage, eco-wellness) with tailored digital campaigns and forging regional cluster partnerships with Hubei/Shaanxi destinations; (4) Implementing strict visitor management at sensitive sites (e.g., Funiu Mountain) and promoting certified eco-practices.

Policymakers must coordinate branding, allocate infrastructure funding strategically, enforce sustainability standards, and facilitate partnerships. Tourism operators need to adopt digital tools, invest in staff training/unique experiences, and pursue sustainability certification. Marketers should focus on unified storytelling highlighting Nanyang's heritage-nature blend via targeted digital channels.

Findings are context-specific to Nanyang. Future research should assess strategy implementation longitudinally, conduct comparative analyses with rivals, or explore niche markets. Addressing these gaps and executing the proposed strategies can significantly enhance Nanyang's rural tourism competitiveness and sustainability.

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