

Relationship between Soft Power and Inbound Tourism Arrivals

Sakkarin Nonthapot, Thanomsilp Jankanakittikul, Sup Amonpinyo

Khon Kaen University, Thailand.

Email: sakkno@kku.ac.th

Abstract

The study aims to examine the relationship between soft power and tourism arrivals using unbalanced panel data from 56 countries around the world from 2020 to 2022. The analysis used the Fixed Effect and Random Effect models with the Generalized Least Square Regression method (GLS). The data used in the analysis includes the Global Soft Power Index and the number of inbound tourism arrivals. The result from the Hausman test found that the fixed effect is more appropriate than the random effect. The Soft Power index and the number of inbound tourist arrivals have a positive impact together. Hence, soft power and tourism can drive together and creation in each country. It helps to connect the country's values with international values through improving tourism and soft power, together with mechanisms to enhance economic growth.

Keywords: Soft power; tourism; digital tourism; social media.

According to the Oxford dictionary, the definition of power is defined as: the capacity or ability to direct or influence the behavior of others or the course of events. From the past to the present, people are used to power, whether they are users of power or those who are subordinate. However, when it comes to power in general, people also tend to think of "force," whether through "violence," "punishment," "exploitation" or "hard power". All those things pressure people to follow suit, regardless of whether those under that power agree or not. However, there is another form of power that, while existing, seems invisible, a power that allows those who have it to change people's behavior so that they can achieve their goals, without violence, coercion, or temptation, but driven by "love" and "passion." It becomes the Soft Power.

Soft power is one of the issues that has been talked about a lot lately. Especially when violence began to be a value that was not universally accepted and could not always help achieve certain goals. As a result, some countries have made efforts to use soft power to achieve both economic and political objectives between countries (Jeong & Grix, 2023). These are rather than using military or economic power to pressure other countries to achieve their goals.

When considering economic objectives, generating jobs and income from tourism is one of the strategies chosen (Stankova & Vassenska, 2015) by many countries because tourism is a recreational activity. It is becoming popular with people in many countries around the world. At the same time, the benefits of tourism can be distributed to many people involved through the tourism supply chain. As a result of the epidemic control policy after the Covid-19 pandemic in

each country in the world, it has been stimulating a tourism campaign to support economy. As a result, the global demand for tourism activities began to recover and expand (Figure1). Hence, when in each country, they tend to promote the tourism market. The competition within the inbound tourist market has intensified significantly. For countries to attract tourists to their countries cannot be achieved through coercion or economic gain. As a result, each country relies on soft power to incentivize tourists to come to their country.

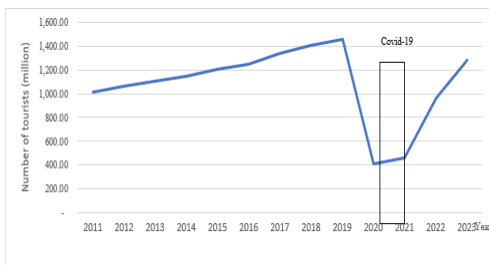


Figure 1: Tourist arrivals (United Nations World Tourism Organization, 2024)

Table 1 Global Soft Power Index of Top 10 Most Visited Countries in 2022

Rank	Country	Inbound Tourist Arrivals (Million)	Soft Power Index
1	France	79.40	60.6
2	Spain	71.66	53.0
3	United States	50.87	70.7
4	Turkey	50.45	47.8
5	Italy	49.81	54.7
6	Mexico	38.33	37.5
7	United Kingdom	30.74	64.9
8	Germany	28.46	64.6
9	Greece	27.84	40.4
10	Austria	26.21	43.4

Sources: United Nations World Tourism Organization (2024) and Brand Finance (2024b)

As mentioned above, if the soft power can attract inbound tourist arrivals to visit each country. We can imply that soft power may be a factor related to tourism as well as tourism may be a factor related to soft power. Hence, how much the relationship between soft power and the number of tourists should be studied. Hence, this study aims to take a preliminary look at the

Looking at the soft power, it can be one of the motivation factors. It is because the top10 tourism countries in the world focusing on soft power policy. It is also related to the number of inbound tourists. From the Global Soft Power index of Top 10 most visited Countries in 2022 in Table 1, it was found that they were all countries with prominent levels of soft power. This evidence may indicate the influence of soft power on the number of tourists arriving within those countries.

influence of soft power on the number of inbound tourist arrivals. It is to confirm the influence of soft power on the tourism sector on a macro basis. The study result may be useful for policy support for achieving tourism goals through soft power and development for studying the influence of soft power on the tourism sector in other dimensions.

Review Literature

Soft Power is a term first invented by Joseph Nye in 1990, whose meaning Nye (1990) is mentioned several times later. In those contexts, the concept may be summarized as soft power is the ability to attract others to make a person have certain needs or to accept something that the soft power user wants. Through the soft agreement between those who use soft power and those who are attracted, without any compulsion or temptation.

When it comes to soft power on a national level, a country with soft power will have an advantage in achieving any of its goals, whether it is economic goals or global political goals (Mcclory, 2020). It influences not only the governments of other countries, but also the people of those countries. Despite the effects of distinctive characteristics and degrees. Therefore, the mechanism for achieving the goals of soft power countries may be driven by the governments of other countries. In the form of state-to-state cooperation and transmission through the people of that country in diverse ways of expression, such as achieving economic goals through the popularity of goods of soft power countries in other countries, which leads to an increase in the imports of those countries from soft power to others.

Nye (2004) also discussed the sources of soft power. Cultural values and political values both domestically and internationally. However, "cultural bullet throwing" (the indirect use of many cultural policies) as well as "misguided imposition of domestic and foreign political values" may not internationally create soft power for those countries either. If this alignment is aligned with values, it will give those countries the opportunity to create more incentives for other countries.

The emergence of such a concept has helped explain many phenomena, including social phenomena related to religion. For example, in the case of America's soft power, Nye (2004) cites examples of pointers to the effects of soft power in America, such as the number of

immigrants coming to America. The number of students attending American universities compared to other countries. Meanwhile, Jeong & Grix (2023) find that Japan has used soft power through sports mega-events to launch Japanese society and support domestic politics to maintain its regional status as it is active with China and South Korea, as well as to improve its presence on a global scale.

In recent times, efforts have been made to measure the soft power of each country. Nye (1990) initially proposed a way to consider soft power through inquiries from several people. For example, the USC Center on Public Diplomacy's *The Soft Power 30* report by Portland was last published in 2019. In 2020, Brand Finance Institute re-published the *Soft Power Index* on Familiarity, Reputation, Influence, Business & Trade, Governance, International Relations, Culture & Heritage, Media & Communication, Education & Science and People & Values, as well as the *Soft Power Rankings* of 60 countries before increasing the number of countries taken into consideration (Brand Finance, 2024b). At the same time, the positive impact of tourism on soft power is in line with a study by Yang (2019) which found that the opening of tourists helps create soft power for the destination country. This has led to an increase in the soft power of the destination country.

Due to the conclusion of the concept of soft power, if the mechanism of soft power is compared to explaining the reasons for the decision of tourists to travel to tourist attractions. There will be a connection between the two parts of the concept. When things bring some tourists who have not experienced the value of those attractions before. Hence, satisfied achievement through soft consensus, without being forced or tempted by any benefit, which is consistent with the nature of being influenced by soft power. If the decision to travel to a tourist attraction is based on factors related to the attraction of the attraction, it means that such behavior of tourists

may be due to the influence of soft power on tourists.

On the other hand, if tourists have already experienced the true value of the attraction. The decision to return may also be influenced by the true value of the tourist attraction that tourists have experienced in the past. However, due to the change of time, the true value of those attractions may change as well. This may be due to the renovation of tourist attractions or the excavation of new and interesting historical evidence. It is this change that may bring anticipation of the value that travelers will receive for a new visit. It puts them back under the influence of the soft power of tourist attractions. For example, a study by Aksoy & Tahmaz (2023), which looked at the influence of soft power on the tourism sector using data on the top 10 countries with the highest Global Soft Power Index, showed that countries with the highest World Soft Power Index rank tend to attract tourists and tourism revenues in the world, in line with a report by Singh & MacDonald (2017) in the British Council's book *Soft Power Today*, which found that foreign tourists are sensitive to various factors of soft power, such as levels of democracy, cultural institutions, citizen diplomacy, and levels of citizen prosperity.

However, the analysis of the link between soft power and tourism behavior through the concept of tourist attractions above. Yet it is only worth noting and such a phenomenon may not be possible. If the expected value is less effect on tourists. There are too few to incentivize tourists to leave or re-visit again. This is because those values do not match the universal values or values that tourists want, as well as conflicts of values in other areas that tourists usually consider. Tourists' behavior can be influenced by many other factors which need to be thoroughly considered. It is still analyzing the relationship between soft power and tourism. Hence, this study aims to determine the influence of soft power on outbound tourism arrivals. It is also useful to support the creation and incentivize the

achievement of goals in each country's tourism industry.

Methodology

The study aims to determine the relationship between soft power and tourism arrivals using unbalanced panel data from fifty-six countries around the world from 2020 to 2022, selected from sufficient data for analysis, totaling 150 data sets. The analysis used the Fixed Effect and Random Effect models with the Generalized Least Square Regression method (GLS). The data used in the analysis includes the Global Soft Power Index, developed by Brand Finance (2024a), and inbound tourism arrivals (million) data published by the World Tourism Organization (UNWTO). However, inbound tourism arrivals data, especially for 2023, remains incomplete. This causes limitations in using it for analysis. In addition, this study also takes the influence of the spread of the Covid-19 virus into consideration in the form of a dummy variable. It sets 2020 and 2021 as years influenced by the Covid-19 pandemic and has a value of 1. While the data for 2022 represents a year in which the tourism sector was not influenced by the spread of the Covid-19 virus. Hence, this time was set a value of 0 due to the condition. It is characterized by travel restrictions. This is an important obstacle for tourism, which is unavoidable.

For the model used in the study, it is presented as follows:

Fixed Effect model

$$Tourism_{it} = \alpha_0 + \alpha_1 Co_{it} + \alpha_2 Soft_{it} + \alpha_3 Z_{it} + u_{it} \quad \text{Eq (1)}$$

$$Soft_{it} = \beta_0 + \beta_1 Co_{it} + \beta_2 Tourism_{it} + \beta_3 Z_{it} + v_{it} \quad \text{Eq (2)}$$

Random Effect model

$$Tourism_{it} = \gamma_0 + \gamma_1 Co_{it} + \gamma_2 Soft_{it} + \varepsilon_{it} + p_{it} \quad \text{Eq (3)}$$

$$Soft_{it} = \theta_0 + \theta_1 Co_{it} + \theta_2 Tourism_{it} + \eta_{it} + q_{it}$$

Eq (4)

When tourism is the number of inbound tourism arrivals (Millions). Co is the influence of the epidemic Covid-19. This is a characteristic of the qualitative variable, and Soft is the soft power factor which employs the Global Soft Power Index. In the model assign, Z is the unobserved effects in the Fixed Effect model, u,v are error term from fixed effect. ε,η are the within-entity error and p,q are the between-entity error of the random effect model. The values of α₂ and γ₂ show the influence of Soft Power on inbound tourism arrivals in each model. The values of β₂ and θ₂ show the influence of inbound tourism arrivals on soft power in each model. It simulated, while the values α₍₁₎ γ₍₁₎ and [β₁ θ]₁ indicate the influence of Covid-19 on inbound tourism arrivals and soft power respectively.

Based on the estimation results of the above. The estimates of both models (Eq.1 to

Eq.2) will be considered for suitability. It decides on the results of a more appropriate model estimate by using the Hausman test. When there is a hypothesis in the test, there is no difference between the value of α₂.γ₂.β₂ and θ₂. Random effect is the propriate model. At the same time, if the null hypothesis is rejected, it can be said that the fixed effect model result will be a more suitable model.

Results

Based on the results of estimates with the model from the fixed effect and random effect, the results are found in the positive direction between the Soft Power index (So) and the number of inbound tourism arrivals (tourism) of both the Fixed Effect and Random Effect models. In the same way, the results of the study also reveal the influence of Covid-19 that negatively effect on the tourism arrivals with negative coefficients, both from the model of fixed effect and random effect results (Table 1).

Table 1. Estimation Results

Independent Variables	Dependent Variables			
	Tourism		Soft Power	
	Fixed Effect	Random Effect	Fixed Effect	Random Effect
Constant	-29.2221	-12.2736	42.5048	42.1231
	(12.7116)**	(6.0531)**	(76.22)***	(31.13)***
Covid-19	-5.7538	-6.8091	-1.5023	-1.2955
	(1.2032)***	(1.0251)***	(-3.48)***	(-3.01)***
Soft Power Index	0.9896	0.6108		
	(0.2872)***	(0.1321)***		
Tourism			0.1155	0.1390
			(0.0335)***	(4.30)***
Diagnostic statistic				
R ²	0.2098	0.2342	0.1309	0.1410
Wald χ ²	(40.97)***	(93.07)***	(32.82)***	(70.17)***

Note: *** and ** are statistically significant at the 99% and 95% respectively.
() is t - statistics

Source: Authors

Nevertheless, when considering which fixed effect or random effect model results, which is more suitable. The Hausman test is employed to judge the difference between two models of fixed effect and random effect by coefficients.

Therefore, the results from Table 2 are found that the fixed effect is a more appropriate result than the random effect results.

Table 2. The Hausman test results.

Dependent Variable	Independent Variable	Coefficient		Difference	S.E.	Husman χ^2
		Fixed Effect	Random Effect			
Tourism	Soft Power	0.9896	0.6108	0.3789	0.2550	9.89***
	Covid-19	-5.7538	-6.8090	1.0552	0.6301	
Soft Power	Tourism	0.1154	0.1384	-0.0234	0.0089	6.81**
	Covid-19	-1.5023	-1.2955	-0.2068	0.0429	

Notes: *** is statistically significant at the 99 percent.

Source: Authors

Conclusion and Suggestion

This study aims to determine the relationship between soft power and inbound tourism arrivals from 56 countries around the world. From the results, it can be said that the positive impact of the Soft Power index on inbound tourism arrivals has pointed out the importance of Soft Power towards the tourism sector. At the same way, the number of inbound tourism arrivals had effect on the Soft Power index as well. Soft Power will be able to attract more tourists to travel within those countries. These study results are consistent with Aksoy & Tahmaz (2023); Singh & MacDonald (2017). Which is a key factor in attracting tourists to visiting. According to this observational phenomenon, it is an introductory concept of soft power. The tourism demand that arises may be the desire to travel to their domestic tourist destinations. As analyzed the mechanism of operation of soft power per initial demand for tourism.

On the other hand, the influence of soft power stimulates the demand for tourism, leading to an increase in the number of tourists. It may be the result of the process of creating soft power, which has aligned the country's value links with international values, which are currently values related to tourism. Adjusting regulations to suit tourism as well as applying foreign policies in many ways that make tourists feel friendly and amenable to creating a desire and trust to travel in that country closely. If it is true, that will reflect the success of those countries in both creating soft power and making proper use of soft power. These study results are consistent with Claro, Hugueta, & Serrano

(2023), who found that tourism can be leveraged as a soft power tool to enhance a country's reputation and attractiveness to visitors by conveying its culture, values, and policies. Adapting soft power for tourism requires considering universal values and collaborative planning among stakeholders.

In addition, the soft power in this study indicates that is a factor that may motivate tourists to travel to different countries that have a soft power policy. However, the expectation of the value of the attraction, which is created and transmitted to tourists, resulting in an incentive for tourists to leave without compulsion or temptation. The soft power accompanies the results of its creation in other respects. It helps to connect the country's values with international values through improving the tourism environment and various domestic environments to be appropriate, resulting in a friendly feeling of tourists and the ability to travel with peace of mind. However, from the study result if each country develops tourism supply and promote tourism. These can support the improvement of as well. From this point, the soft power and tourism can drive together and creation in each country. It helps to connect the country's values with international values through improving tourism and soft power, together with mechanisms to enhance economic growth. The results of this study are consistent with studies that many researchers have found soft power plays a crucial role in motivating tourists to visit countries with well-established soft power policies, creating an attractive environment without resorting to coercion (Yigit, 2024).

Countries like the United States, China, and Korea have effectively utilized soft power components such as culture, political values, and foreign policy to enhance their global appeal and attract tourists (AlMokdad & Karkout, 2024; Herrera & Pérez-Tapia, 2024). The interplay between soft power and tourism has been recognized as a significant driver of economic growth, with China notably leading in this field (Kumari & Kondala, 2023). By aligning domestic environments with international values and investing in tourism infrastructure, countries can foster a welcoming atmosphere for tourists, promoting peace of mind and friendly interactions, ultimately contributing to the enhancement of soft power and economic development (Ajrash & Khayoun, 2023).

Due to the development of soft power, it is good for the country's tourism sector. Soft power in each country needs to understand the context of universal values to be useful for adaptation. These include the ability to create strategies to motivate people to meet their needs and prefer the country's soft power. For more attract international tourists, they should learn about those universal values and spread that knowledge to the public and relevant entrepreneurs. Then, in each country should jointly plan to modify their values by considering whether they are appropriate to be consistent or able to take advantage of those universal values. These include planning to improve mechanisms for supervising the tourism sector to be appropriately aligned with those universal values. That is before passing on the expectations that tourists want to tourists through various channels.

The results of this study are consistent with studies that many researchers have found soft power plays a crucial role in enhancing a country's tourism sector by influencing people's perceptions and aspirations (Kumari, & Kondala, 2023). Understanding universal values is essential for effectively adapting soft power strategies to attract international tourists (Tkach & Tkach., 2022; Claro, Huguet, & Serrano,

2023). Countries should promote values like democracy, human rights, and cultural offerings to appeal to a broader audience and motivate them to choose the country as a travel destination (Yigit, 2024). Aligning national values with universal principles is crucial for enhancing a country's image and attracting more tourists, leading to increased visitor numbers and economic benefits (Naidoo, 2023). These effectively meet the expectations of foreign tourists and ensure a positive perception of the country as a tourist destination. Collaborative efforts between countries. Therefore, it is important. Alignment of stakeholders including tourists, tourist travel agencies and policymakers is essential for sustainable governance of destinations. (Shrivastava, 2024; Luntungan, 2024). By integrating universal values into their national ethos, countries can enhance their national branding, making them more appealing to tourists and investors alike (Naidoo, 2023). Emphasizing multicultural education to instill values like tolerance can also build a positive national character that resonates with international visitors (Maulana, Palupijati, & Suharno, 2024).

In addition, the analysis of the influence of the soft power index and the number of inbound tourist arrivals has a positive impact together, which is an element of tourist attractions, with the view that what attracts tourists to tourist attractions is the expectation of the value of tourist attractions. This is created and transmitted to tourists to motivate tourists to come. This phenomenon reflects the success of the creation of soft power that can bring about the utilization of soft power in the tourism sector.

From the results of the study, the Thai government should have a way to create a strategy to motivate people to be able to meet their needs. Thailand should use soft power to attract international tourists as a leading policy to stimulate the number of international tourists. The experience of leading countries in the use of soft power is evident in the form of setting a budget or fund for the use of soft power to

promote tourism by disseminating that knowledge to the public as well as related entrepreneurs, and then jointly planning to adjust the values for Thai entrepreneurs by considering the appropriateness to be consistent with the Thai context.

Acknowledgement

This research project is supported by Indo-China Country Internal Trade and Economic Research Sector and "Research Administration Division" Khon Kaen University.

WORKS CITED

- Ajrash, N. A. A., & Khayoun, A. H. (2023). The pillars of soft power. *Russian Law Journal*, 11(12S), 206-213. <https://doi.org/10.52783/rlj.v11i12s.2037>
- Aksoy, M., & Tahmaz, G. S. (2023). The effect of soft power on the selection of a touristic destination. In K. Kankaew (Ed.), *Global perspectives on soft power management in business* (pp. 374-388). IGI Global. <https://doi.org/10.4018/979-8-3693-0250-7.ch019>
- AlMokdad, M., & Karkout, W. (2024). Soft power dynamics: Analyzing Chinese and American influence in the Middle East. In M. Zreik (Ed.), *Soft power and diplomatic strategies in Asia and the Middle East* (pp. 246-266). IGI Global. <https://doi.org/10.4018/979-8-3693-2444-8.ch015>
- Brand Finance. (2024a). Global soft power index methodology. Retrieved from <https://brandirectory.com/softpower/methodology>
- Brand Finance. (2024b). Global soft power index. Retrieved from <https://brandirectory.com/softpower/report>
- Claro, M. F. C., Huguet, J. P., & Serrano, M. C. S. (2023). Tourism as a soft power tool. The role of public diplomacy in Japan's country and destination branding. *Journal of Tourism, Sustainability and Well-being*, 11(2), 66-80. <https://doi.org/10.34623/snwy-ec89>
- Shrivastava, D. (2024). Tourism governance: A way to sustainable of tourist destinations. In *Futuristic trends in management* (Vol. 3, Book 26, pp. 156-163). IIP Series. <https://doi.org/10.58532/v3bhma26p2ch7>
- Herrera, J. L. Q., & Pérez-Tapia, G. (2024). Tourism as a driver of soft power: The case of South Korea. In *Sustainable tourism, culture and heritage promotion: Development, management and connectivity* (p. 221). https://doi.org/10.1007/978-3-031-49536-6_22
- Jeong, J., & Grix, J. (2023). An analysis of Japan's soft power strategies through the prism of sports mega-events. *Sport in Society*, 26(10), 1756-1776. <https://doi.org/10.1080/17430437.2023.2197398>
- Kumari, N., & Kondala, M. (2023). Role of soft power in tourism development: A bibliometric analysis of the past decade. In *Global perspectives on soft power management in business* (pp. 245-260). IGI Global. <https://doi.org/10.4018/979-8-3693-0250-7.ch013>
- Luntungan, E. C. (2024). Collaborative governance in the development of Likupang super priority tourism destination in North Sulawesi province. *Journal of Tourism and Hospitality Studies*, 2(1), 13-24. <https://doi.org/10.32996/jths.2024.2.1.3>
- McClory, J. (2020). The soft power 30: A global ranking of soft power 2019. Retrieved from <https://softpower30.com/wp-content/uploads/2019/10/The-Soft-Power-30-Report-2019-1.pdf>
- Maulana, D. F., Palupijati, R. P., & Suharno, S. (2024). Cultivation of tolerance values through multicultural education to build national character. *International Journal of Multicultural and Multireligious Understanding*, 11(5), 103-111. <http://dx.doi.org/10.18415/ijmmu.v11i5.5721>
- Naidoo, V. (2023). Transforming a country through effective nation branding: The South African perspective. In *Global developments in nation branding and promotion: Theoretical and practical approaches* (pp. 221-236). IGI Global. <https://doi.org/10.4018/979-8-3693-0556-2.ch015>
- Nye, J. S. (1990). Soft power. *Foreign Policy*, 80, 153-171. <https://doi.org/10.2307/1148580>
- Nye, J. S. (2004). Soft power: The means to success in world politics. *Public Affairs*.
- Tkach, O., & Tkach, A. (2022). Tourism in social networks as a component of smart power in modern political processes. *Politology Bulletin*, 89. <https://doi.org/10.17721/2415-881x.2022.89.188-203>
- Singh, J. P., & MacDonald, S. (2017). Soft power today: Measuring the influences and effects. Retrieved from

https://www.britishcouncil.org/sites/default/files/3418_bc_edinburgh_university_soft_power_report_03b.pdf

Stankova, M., & Vassenska, I. (2015). Raising cultural awareness of local traditions through festival tourism. *Tourism & Management Studies*, 11(1), 120-127.

<https://www.tmsstudies.net/index.php/ectms/article/view/766>

United Nations World Tourism Organization. (2024). Global and regional tourism performance. Retrieved from <https://www.unwto.org/tourism-data/global-and-regional-tourism-performance>

Yigit, S. (2024). Soft power: An enduring notion in contemporary international politics. In *Soft power and diplomatic strategies in Asia and the Middle East* (pp. 163-178). IGI Global. <https://www.igi-global.com/gateway/chapter/343479>