

The Complexity of Tourist Destination Competitiveness Concept through main Competitiveness Models

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Abstract— The aim of this paper is to bring into consideration the complex nature of the tourist destination competitiveness concept; the evaluation and measurement challenges that this concept does represent theoretically and practically, through the dynamic development path and comparative analysis of four basic competitiveness models, respectively: Life cycle tourist area model; Porter's diamond model; Crouch & Ritchie model and the Integrated model of Dwyer & Kim, by highlighting for each model, the advantages and disadvantages of them, as in theoretical and application aspects.

By the analysis of the four models is understandable that the tourist destination competitiveness is not based only on a stock of available resources but also and especially by the ability of tour operators, the policy and decision makers and managers of destination to develop appropriate skills to enhance their tourism offer and their ability to develop such tourism products that will provoke tourism demand; to plan and implement strategies by providing effective management of elements of the destination. Nevertheless, the literature on tourism competitiveness in a context of sustainable territorial development is still not wide, in terms of theoretical and methodological conception.

Key words — destination competitiveness concept, models of competitiveness, tourist destination competitiveness.

1 INTRODUCTION

Destination's competitiveness is defined as a country's ability to create added value and thus increase the national wealth by managing assets and processes, attractiveness, aggressiveness and proximity, and thereby integrating these relationships within an economic and social model that takes into account a destination's natural capital and its preservation for future generations [Ritchie & Crouch, 2003]. A large number of authors have given their contribution to the understanding and practical research of competitiveness of tourist destinations [De Keyser, Vanhove, 1994; Evans, Johnson, 1995; Pearce, 1997; Hassan, 2000; Kozak, 2001; Mihalic, 2000; Ritchie, Crouch, 1993; Thomas, Long, 2000; Alavi, Yasin, 2000; Enright, Newton, 2004; Ruhanen, 2007; Cracolici, Nijkamp, 2009].

Competitiveness management of a destination is associated with a variety of problems such as the impacts of factors and unpredictable events; a part of attributes are difficult to be managed; in managing elements of an attribute, a large number of organizations do affect; tourism development is associated with costs and benefits and there is no consensus on the social, economic and environmental impacts that may have; destinations do not establish clear development targets on which to assess the competitiveness of their performances; it suffers by lack of objective information, measures and indicators; given that competitiveness is a relative concept, the competitiveness of a destination is a function of what happens at the destination.

Research since the early 1990s, has gradually shed light on the nature and structure of destination competitiveness. Some of this research has focussed on particular elements of destination competitiveness, such as price competitiveness, while other research has aimed at developing a more comprehensive

understanding of destination competitiveness. General theories of competitiveness have been assimilated and adapted, and conceptual models of destination competitiveness have been developed which tailors these general ideas and theories to the particular characteristics of the tourism industry. As a result, destination competitiveness theory has developed to the point that empirical study is now possible and desirable. In more recent years the conceptual models have been applied to analyse specific destinations or tourism markets. But one of the most pressing research needs is to better understand the relative importance of the attributes of competitiveness. Strategies for improving destination competitiveness must make decisions about where and how limited resources should be directed. Therefore, information which helps to identify which attributes are likely to influence competitiveness most effectively, are of considerable value.

However, how complex the term competitiveness is becomes apparent only when we try to define and measure competitiveness. Thus, there are many models created in an attempt to measure competitiveness as a unique phenomenon. Models differ according to the defined factors that determine competitiveness and their grouping.

2 TOURISM AREA LIFE CYCLE MODEL (TALC)

Tourism Area Life Cycle Model [Butler, 1980] represented an adaptation of the product life cycle model to the destination context. It is a descriptive model which analyses the historical path and expected future development trends of tourist destinations. Butler, through this model, emphasizes the importance of long term planning and control, to maintain the competitiveness of the destination.

According to him, hypothetically destinations go through six

phases: exploration, involvement, development, consolidation, stagnation after which does occur the decline or rejuvenation. Many of the case studies in which the model has been applied can be characterised as mature destinations, and predicably the stagnation phase has received the most attention [Lundtorp & Wanhill, 2001].

After revisions made by Butler [2000] to explain the growth, change, limits and intervention in a tourism area, the model is based in eight elements as follows:

Dynamism: one of the most characteristic features of tourism activity.

Process: the change in tourism areas is a process of development that could be modelled.

Capacity or limits to growth: the model is based on the idea that if visitors exceed the capacity of the destination, the quality of visitor experience would decline. The difficulty in measuring the capacity has attracted many criticisms [Weaver, 2000].

Triggers: factors which cause change in the destination such as innovations.

Management: emphasised in terms of its importance for the destination as a whole because many destinations are not managed although individual resources and facilities often are.

Long term viewpoint: it is crucial to avoid decline by looking forward from the beginning.

Spatial components: the proposition was that as development at a specific destination stagnated, there would be a spatial shift of development to a new nearby location and a new destination begun.

Universal applicability: the model was designed to be applicable to all tourist destinations.

Limitations of the model

As has been stated elsewhere [Butler 2006a,c], the TALC was a creature of its time, and its origins reflected the literature which existed in the 1970s, in particular the writings of pioneering tourism researchers such as [Christaller (1963), Cohen (1972), Doxey (1975), Plog (1973), Stansfield (1972) and Wolfe (1966)]. To many contemporary readers and researchers in tourism these references may appear now to be of limited validity and the majority not being based on empirical research of any depth.

□ The life cycle model [Butler, 1980] emphasises the importance of control and responsibility in managing the destination, presenting a descriptive approach to this situation and offers a list of problems to be solved, but it does not present in detail the strategic options needed to overcome situations. However, the model emphasises the need for proactive and strategic planning and provides guidance for strategic decision making [Buhalis, 2000].

□ The life cycle model may have fallen out of favour in the business literature [see for example, Dhalla and Yuspeh 1976, and Tellis and Crawford 1981] and is a simplistic representation of the marketability of a product, it can still have relevance.

□ One of the most common criticisms of the life cycle

model is that it suggests the existence of an inevitable process which seems to limit or deny the possibilities of intervention [Cooper, 1994; Haywood, 1992].

□ Tourist destinations could be regarded as having, within themselves, a prescriptive change process or an internal logic that the life cycle seems to expose. Thus development and change should be capable of being predetermined. However, changes in tourism destinations can also be influenced by other elements including the environment (geographic, economic, political and social variables), the ideologies and beliefs of the groups and individuals in the destination, the available resources, past results and proposed objectives or strategies as well as chaos and random events [Russell 2006].

□ The life cycle model cannot fully explain the support sustainability that it is quite commonly seen in many destinations as a way to overcome the stagnation period.

□ This model requires statistical data held for a long time to be theoretically valid.

□ The model suffers from problems of measurement and identification of its phases.

3 PORTER'S NATIONAL DIAMOND MODEL

M. Porter offered a model that allows examining why some states are more competitive and why some industries within states are more competitive than others are. In this way, Porter's diamond model of national competitiveness was detected as a model with which to assess the sources of competitive advantages of an industry in a particular country and it can help realise the competitive status of a nation in global competition. Porter's Diamond model, is comprised of four main factors of competitive advantage: strategy, structure and rivalry of firms; demand conditions; related supporting industries; and factor conditions. First, 'strategy, structure and rivalry of firms' states the "world is dominated by dynamic conditions" and direct competition among firms is necessary to improve productivity and innovation. Second, 'demand conditions' states "customers in an economy are very demanding" and this demand produce higher quality and innovative products. Third, 'related supporting industries' states the spatial proximity of related industries increases the exchange of knowledge, thus promoting information and increasing innovation. Lastly, 'factor conditions' are created, not inherited, and include skilled labor, capital and infrastructure; these are "more difficult to duplicate" and thus create a competitive advantage. In addition to these four determinants of competitiveness, there are two indirect variables in the model: chance and government. The Porter's theory is that these factors interact with each other to form conditions where innovation and competitiveness occurs.

The model creates a structure that determines the rules of competition in a sector and makes it important to have a role to play based on the opinion of achieving a long-term competitiveness. Porter associated the determinants of sectors that state competitive advantage of nations with the value of a diamond. All factors contain: all assets and skills vital for indus-

try's competitive advantage; information which create the opportunities and give the answer to how convenient assets and skills should be managed; aims of all interest groups; and what is most important, particular power of the company to investing and innovating. According to Grant (1991) Porter has built "a bridge between strategic management and international economics" because economists usually study a country as a whole with macroeconomic indicators while strategic management or international management scholars study firms, managers, and national cultures.

In Porter's Diamond Model, the system is constantly in motion as a whole in the face of positive and negative effects. To provide the competitive advantage depends on the renewal of the system and what takes place very rapidly in innovation. While the quality and intensity of mutual interaction in the entire system causes to the broad and common interaction, the presence of dynamic and competitive environment constantly engaged in a new knowledge and talented players causes to global competitive advantage.

Limitations of the model

Porter's diamond model is not without its critics [e.g., Davies and Ellis 2000; Gray 1991; Martin and Sunley 2003; Reich 1990; 1991].

□ One of the most fundamental criticisms has to do with the model's high level of abstraction and the ambiguity of the manifestation of proposed relations, that is, Porter's shifts in explaining the competitive advantage or competitiveness at a variety of conceptual scales: the nation, the industry, the individual firm or the regional and locational levels.

□ Moreover, Porter claims that all aspects in the diamond model interact and reinforce each other but, in fact, the model does not explicitly include independent variables: every variable is related to the other variables, thus each variable is dependent. These mutual relationships between the environmental antecedents permit a wide range of causal relations and interpretations and are therefore quite problematic.

□ The diamond model has not yet been operationalized for empirical testing at the micro-level.

□ In Porter's work (1990), it is suggested that to be internationally competitive, it is necessary to have a strong national diamond or strong "home base". Some scholars have argued that many small economies that have opened to international trade do not have strong national diamonds [Rugman and D'Cruz, 1993]. Instead, they have at least one weak corner of the national diamond that requires reliance on the corner of a foreign diamond.

□ In Porter's work (1990), multi-national enterprises (MNEs) are expected to play a limited role in the development of the host country as a temporary source of competitiveness for the host country in its early development. Porter considered the best (although rare) scenario for the host country to be when MNEs shifted their home base to the host base due to strategic reasons such as technology access, scientific advancement, expertise. Accordingly, some studies argue that MNEs play an important role in developing countries.

□ Porter developed this model based on case studies

and this tends to apply only to the developed countries.

4 CROUCH & RITCHIE MODEL

Crouch and Ritchie model, makes it possible to analyze the competitiveness of a destination and compare destinations with each other related to the determining attributes of a destination. Crouch and Ritchie's model is a general model and as such can be implemented to any tourist destination. It takes into account only the supply factors affecting the competitiveness of the destination.

Crouch and Ritchie's model is based on five attributes of a destination, which are explained below: Core Resources & Attractors; Supporting Factors & Resources; Destination Policy, Planning & Development; Destination Management; Qualifying and Amplifying Determinants. Within these five categories of attributes, there are 36 sub attributes being structured in the form of a decision-making tree.

a) *Core Resources & Attractors: the strength of the destination's drawing power*

This component of the model describes the primary elements of destination appeal. The sub-components that represent a destination's core resources and attractors determine the strength of the destination's drawing power. While other components are essential for success and profitability, a destination's core resources and attractors are often the fundamental reasons why prospective visitors choose one destination over another. These components include: Special Events; Physiography & Climate; Culture & History; Mix of Activities; Entertainment; Superstructure, and Market Ties.

b) *Supporting Factors & Resources: the springboard for tourism development*

These support or provide a foundation upon which a successful tourism industry can be established. A destination with an abundance of core resources and attractors but a lack of adequate supporting factors and resources, may find it very difficult to develop its tourism industry. These factors, as mentioned below, may significantly shape the realisation of tourism potential at the destination. Careful planning and management may be required to ensure a proper balance between tourism growth and the development of infrastructure and other facilitating resources. Factors included are as follows: Infrastructure; Accessibility; Facilitating Resources; Hospitality; Enterprise, and Political Will.

c) *Destination Policy, Planning & Development: the destination's strategic framework*

A strategic or policy-driven framework for the planning and development of the destination with particular economic, social, and other societal goals as the intended outcome, can provide a guiding hand to the direction, form and structure of tourism development. Such a framework can help to ensure that the tourism development that does occur promotes a competitive and sustainable destination, whilst meeting the quality-of-life aspirations of those who reside in the destination. Thus, better tourism development policies and planning ought to result in greater destination competitiveness. Factors within this category are as follows: System Definition; Philoso-

ophy/Values; Vision; Positioning & Branding; Development; Competitive/Collaborative Analysis; Monitoring & Evaluation, and Audit.

d) *Destination Management: the destination's ability to implement a tourism strategy*

This group of factors focuses on those activities which implement the policy and planning framework established under destination policy, planning and development, enhance the appeal of the core resources and attractors, strengthen the quality and effectiveness of the supporting factors and resources, and adapt best to the constraints or opportunities imposed or presented by the qualifying and amplifying determinants. These activities represent the most direct mechanism for managing the destination's competitiveness and sustainability. Factors are as follows: Organisation; Marketing; Quality of Service/Experience; Information & Research; Human Resource Development; Finance & Venture Capital; Visitor Management; Crisis Management, and Resource Stewardship.

e) *Qualifying and Amplifying Determinants: factors which leverage or limit competitiveness*

The potential competitiveness of a destination is conditioned by a number of factors which fall outside the scope of the other four groups of competitiveness factors. This group of factors might alternatively have been labeled situational conditioners because it represents factors which affect the competitiveness of a tourist destination by defining its scale, limit, or potential. These qualifiers and amplifiers moderate or magnify destination competitiveness by filtering or leveraging the influence of the other four groups of factors. Their effect may be so important that they represent a 'ceiling' to tourism demand and potential. However, despite the potential importance of these factors, it may be difficult for the tourism industry alone to control or influence their impact on the destination's competitiveness. Factors are as follows: Location; Safety & Security; Cost/Value; Interdependencies; Awareness & Image, and Carrying Capacity.

To collect data on the relative importance of attributes it is developed a questionnaire addressed to two groups of experts: managers of organizations that deal with the management of destinations, such as national tourism administration, government offices and private tourism, regional tourism organizations, tourist offices, etc.; tourism researchers with expertise in the fields of management and marketing of destinations. Experts judge on the relative importance of each of the 5 attributes and 36 sub attributes and assess the relative performance of destinations taken in consideration for comparison.

Limitations of the Model

Some of the limitations that this model does have are as follows: 1) There can be more than 36 sub attributes to a destination and their aggregation within 5 categories of attributes becomes difficult; 2) Many of the attributes are measured in a qualitative manner, multi-dimensional, abstract and inaccurate way; 3) Finding data for each attribute is difficult, since some of the data either do not exist or are unreliable; 4) Measurement of the dependent variable as the destination competitiveness is also problematic. 5) Indicators such as the number

of coming visitors, visitor spending can be considered as determinants of demand for tourism and not as supply, of a destination.

5 INTEGRATED MODEL OF DESTINATION COMPETITIVENESS – DWYER & KIM

Integrated model of competitiveness of Kim & Dwyer, (2003) was developed from a conceptual model of competitiveness (Ritchie and Crouch, 1993) and defines the six main categories of competitiveness as follows: Inherited resources (INH), created resources (CRE), supporting factors and resources (SUP), destination management (MAN), demand conditions (DEM) and situational conditions (SIT).

Dwyer and Kim (2003) argue that none of the models of destination competitiveness that have been proposed to date are entirely satisfactory. In particular, they do not provide a comprehensive treatment of the various issues surrounding the notion of „competitiveness“ that are being explored in the wider literature and that must be taken into account in developing a comprehensive framework of destination competitiveness. They have therefore developed a model of destination competitiveness that will enable comparisons between countries and between tourism sector industries. It brings together the main elements of national and firm competitiveness as proposed in the wider literature and the main elements of destination competitiveness as proposed by tourism researchers [Buhalis, 2000; Hassan, 2000; Mihalic, 2000]. It contains many of the variables and category headings identified by [Crouch and Ritchie (1999, 1993, 2000)] in their comprehensive framework of destination competitiveness but differs in some important respects. It recognizes demand conditions as an important determinant of destination competitiveness. Tourist awareness of alternative tourist destinations, their tourism offers and tourists perception of differences between destinations are critical factors of a tourist flow, so destination must develop such tourism products that will provoke tourism demand. Crouch and Ritchie model seems to neglect the demand side of competitiveness determination. It also explicitly recognises that destination competitiveness is not an ultimate end of policy making but is an intermediate goal towards the objective of regional or national economic prosperity.

Integrated model retains much of Crouch- Ritchies model, but differs from it in some important details [Dwyer et al, 2001]. It seeks and provides a more realistic picture of the connections between different parts of the model opposite to Crouch and Ritchie model (1999). Their model is linear, dependence between different groups of factors are shown in only one direction. Integrated model assumes mutual dependence between the individual elements. While Crouch-Ritchie models sources are considered as one group factors, the Integrated model explicitly separates the primary sources (especially distinguishes natural from cultural and historical) from the expanded.

The integrated model groups some of the elementary determinants of destination competitiveness differently than does the Crouch-Ritchie model. Additionally, this model provides a useful distinction between inherited and created resources,

and the category management, which includes all relevant determinants that shape and influence a destination.

6 CONCLUSIONS

By the analysis of the four models is understandable that the destination competitiveness is not based only on a stock of available resources but also and especially by the ability of tour operators, the policy and decision makers and managers of destination to develop appropriate skills to enhance their tourism offer and their ability to plan and implement strategies that allow you to manage in a effective and efficient way elements of your destination. Phenomena such as globalization of markets, the evolution of the needs cause that the competitiveness of a tourist destination depends not only on "positional advantage" but also on the recognizable sustainable demand needs in the medium and long term [Pilotti, 2011; Corigliano and Mottironi, 2012]. Both the model of Ritchie and Crouch to Dwyer and Kim, in fact, support the principle that the tourism competitiveness should produce long-term effects and comply with the sustainability criteria of improving the quality of of life for residents and generate economic prosperity (income growth) [Richie and Crouch, 2000, 2003]. Nevertheless, the literature on tourism competitiveness in a context of sustainable territorial development is still not wide in terms of theoretical and methodological conception. This generalization of the results demonstrates the need to include the territorial content in current models.

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