Chapter 16
What are the Most Critical Factors for Competitiveness of a Tourism Destination?

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ABSTRACT

Despite the diversity of studies in competitiveness, thus far there has been little research aimed at capturing and measuring the effects of different factors of competitiveness in the tourism sector. This research, based upon the cross-referencing of primary and secondary data, pioneers the identification of the different facets contributing towards tourism sector competitiveness through proposing and implementing a new tourism competitiveness model. Additionally, the authors explore which factors contribute most and are susceptible to leveraging the competitiveness of tourism destinations by tourism region. They conclude that the competitiveness of a specific tourism destination depends on a combination of various dimensions and factors with direct and indirect relationships and influences according to the characteristics of the respective tourism region. Some implications and future challenges are also set out.

INTRODUCTION

The development of tourism destinations has received widespread attention in recent years both in terms of tourism research and management studies (Enright & Newton, 2004; Shih, 2006; Schianetz, Kavanaghb, & Lockingtona, 2007; H. Zhang, C. Gu, L. Gu, & Y. Zhang, 2011; Haugland, Ness, Grønseth, & Aarstad, 2011; Dwyer, Cvelbar, Edwards, & Mihalic, 2011). How to establish, nurture, protect and strengthen tourism destinations and their positions in increas-

ingly competitive and global markets represents a major challenge that has been attributed a very high profile within the tourism industry (Crouch, 2007). Enright and Newton (2004) suggest that the success of tourism destinations in world markets is influenced by their relative competitiveness. Their competitiveness is increasingly important to countries seeking to take a growing slice of this expanding market and clearly this is of special relevance to communities highly dependent on the prevailing state of the tourism sector and travel industry (Echtner & Ritchie, 2003; Navickas & Malakauskaite, 2009). The concept and actually evaluating the competitiveness of a particular destination has also gained greater profile within the different currents of the literature. The reason for such interest arises not only out of the growing economic importance of the tourism sector but also the rising levels of competition in this market as one of the consequences of the transitional process from mass tourism to a new tourism paradigm that incorporates an approach tailored to the attitudes and needs of tourists (Cracolici, Nijkamp, & Rietveld, 2006). According to Kim (2000), tourism sector competitiveness is defined as the capacity for the environmental conditions of the tourism market, tourism and human resources as well as the tourism infrastructures of a country to generate added value and boost overall national wealth. This author also adds that tourism sector competitiveness is not only a measurement of potential capacity but also an evaluation of the present capacity and the sector's actual level of performance. From the perspective of Malakauskaite and Navickas (2010), tourism sector competitiveness – similar to the competitiveness of any other economic sector – cannot be hived off from the harmonious and sustainable development of the tourism destinations. Tourism development thus needs to be sustainable not only economically but also in socio-political, technological, natural, ecological and cultural terms.

The evaluation of tourism sector competitiveness is a fairly common research problem, identi-

fied and analysed by many researches (Navickas & Malakauskaite, 2009). In the tourism sector, some studies have sought to measure the levels of competitiveness of different countries through recourse to primary data (Faulkner, Oppermann, & Fredline, 1999; Kozak & Rimmington, 1999; Hudson, Ritchie, & Timur, 2004; March, 2004; Kim & Dwyer, 2003; Dwyer, Mellor, Livaic, Edwards, & Kim, 2004; Enright & Newton, 2004, 2005; Omerzel, 2006; Claver-Cortés, Molina, & Pereira, 2007; Crouch, 2007; Gomezelj & Mihalic, 2008) and secondary data (Gooroochurn & Sugiyarto; 2005; Statev, 2009; WEF, 2007, 2008, 2009, 2010, 2011; ECLAC, 2009; Zhang et al., 2011). There is, however, a gap in the literature as regards studies simultaneously deploying primary and secondary data for measuring the regional competitiveness of tourism destinations.

Hence, the empirical application of the competitiveness model proposed in this research was based upon the collection of primary and secondary data on tourism destination competitiveness thereby contributing towards narrowing the gap identified in the literature and simultaneously contributing towards understanding the phenomenon of competitiveness within the context of tourism destinations. Additionally and in particular in Portugal, the evaluation of tourism destination competitiveness remains at a very early stage. To this end, this research seeks to determine which dimensions contribute towards the competitiveness of regional areas and poles of national tourism development in addition to identifying the significant factors of difference between the tourism regions subject to study.

The article is structured as follows. We firstly set out a review of the literature on tourism competitiveness before presenting the conceptual tourism competitiveness model to be operationalised. We then move onto a description of the methodology deployed as well as the data and variables deployed in the study. Finally, we carry out our analysis before discussing the research results and putting forward the respective conclusions.

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