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Destination competitiveness measurement: analysis of effective factors and indicators

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Destination Competitiveness Measurement: Analysis of Effective Factors and Indicators

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1. Overview of Destination Comparison / Competitiveness Research

Even though competition will become increasingly fierce in the 21st century (Ireland and Hitt 1999), little research has been carried out dealing with the topic of competitiveness of different tourist destinations either at the regional/national or international level (e.g. Briguglio and Vella 1995; Edwards 1993). It is claimed that a full competitive destination analysis has not received widespread recognition in the tourism literature (Pearce 1997).

As Table 1 shows, both primary and secondary types of data collection methods have been employed to carry out destination comparison / competitiveness research. Secondary data collection methods have primarily focused upon the analysis of figures, whereas primary research methods focus solely on investigating customer attitudes towards or perceptions of the attractiveness of several individual destinations.

Much of the research conducted using primary methods has been conducted without evidence about whether respondents have been to sample destinations, and research to date does not provide a full account of destination competitiveness (e.g. Javalgi, Thomas and Rao 1992; Driscoll, Lawson and Niven 1994). It is expected that sample populations should have direct experience in order to respond accurately to all questions regarding their actual holiday experiences with each of these destinations. Otherwise, findings do not reflect the accurate performance of destinations.

In recent years, tourism has become a highly competitive market. For this reason it is important that destinations are able to measure their competitiveness in order to identify their strengths and weaknesses and thereby develop their future strategies. Some of the reasons for measuring and assessing the factors which influence destination competitiveness can be listed as follows (Keller and Smeral 1997):

- New destinations have emerged in the market (e.g. Caribbean and eastern Mediterranean).
- Tour operators and media are having an increasing impact on the market.

Table 1: Overview of previous destination comparison / competitiveness research

| Author | Method | Type | Criteria |
|--|----------------|---|--|
| Pearce 1997 | Secondary data | Destination competitiveness | market, access, attractions, accommodation supply, prices, development processes |
| Grabler 1997 | Primary data | Destination positioning of urban destinations | Accommodation, entertainment, ambience, cultural resources, level of prices, accessibility of amenities and destinations, location, originality, attitude, shopping facilities, food and beverage quality |
| Seaton 1996 | Secondary data | Destination competitiveness | tourist arrivals, number of bednights, tourism receipts, occupancy trends, seasonality trends, balance of tourism payment trends, portion of tourism in GDP, market dependence trends, tourism employment trends and marketing expenditure trends |
| Briguglios and Vella 1995 | Secondary data | Destination competitiveness | political factors, exchange rates, marketing, development of new products, human resources, hygiene and environmental factors, tourist services |
| Bray 1996 | Secondary data | Destination competitiveness | prices, exchange rates, market, access |
| Edwards 1993 | Secondary data | destination competitiveness | exchange rates, prices |
| Dieke 1993 | Secondary data | destination comparison | number of arrivals, purpose of visits, bednights, accommodation supply, seasonality, tourism receipts, employment, tourism policies, market and tourist expenditures |
| Soanne 1993 | Secondary data | destination comparison | structural changes in demography, infrastructure and urban geography |
| Javalgi, Thomas and Rao 1992 | Primary data | destination competitiveness | tourist perceptions of several destination attributes |
| Calantone, Benedetto, Hakem and Bojanic 1989 | Primary data | destination competitiveness | tourist perceptions of several destination attributes (shopping facilities, hospitality, safety, food, culture, tourist attractions, tourist facilities, nightlife and entertainment, scenery, beaches and water sports |
| Goodrich 1977 | Primary data | destination comparison | tourist perceptions of similarities and differences between nine regions on water sports and sports, historical and cultural interests, scenic beauty, hospitality, rest and relaxation, shopping facilities, cuisine, entertainment and accommodations |
| Goodrich 1978 | Primary data | destination comparison | tourist perceptions of nine regions and their intention to choose them. Attributes were same as above. |
| Haahiti and Yavas 1983; Haahiti 1986 | Primary data | destination competitiveness | tourist perceptions of 12 European countries on value for money, accessibility, sport facilities and other activities, nightlife and entertainment, peaceful and quietness, hospitality, wilderness, tracking and camping, cultural experience, scenery, change from the usual destinations |
| Driscoll, Lawson and Niven 1994 | Primary data | destination comparison | tourist perceptions of 12 destinations on 18 attributes such as facilities, landscape, safety, climate, culture, modern society, different experience, value for money, accessibility, shopping facilities, organised activities, cleanliness, family-oriented, exotic place, outdoor activities, religious values, hospitality, nightlife and entertainment |
| Javalgi, Thomas and Rao 1992 | Primary data | destination comparison | traveller perceptions of European destinations (as 4 major regions) about 27 attributes |
| Woodside and Lysonski 1989 | Primary data | destination competitiveness | developing a destination set where any destination is chosen among alternatives |
| Faulkner, Oppermann and Fredline 1999 | Primary data | destination competitiveness | analysis of travel agents' perceptions of core tourist attractions |
| Botho, Crompton and Kim 1999 | Primary data | destination competitiveness | tourist motivations and tourist perceptions of entertainment, infrastructure, physical environment and wildlife. |

- Tourists are more experienced and knowledgeable, e.g. language, use of transportation, booking travel and having experiences with the same destination more than once.
- Tourists and tour operators are now becoming more concerned about the environmental quality of facilities and destinations.

These appear to be pressures on tourist destinations which are increasing the competition. The following statement refers to the importance of individual establishments in maintaining competitiveness in international tourism (Murphy 1997: 3):

“Many tourism businesses believe they need to sell their destination before they can sell their individual offerings. This can be achieved by increasing the competitive advantage of the whole product mix, so that individual businesses benefit from the increased profile and trade.”

Among the most significant activities that destination management should consider are the planning, organisation, leading and/or motivating staff, and controlling standards and information. When a benchmarking study is conducted amongst the similar types of tourist destinations, this allows any of the destinations not only to evaluate the nature of its competition, but also to identify new market opportunities (Goodall 1990) both by analysing intermediaries who bring more tourists from either traditional or potential markets, and the consumers themselves.

A number of factors may influence a clear analysis of a destination competitiveness study including the type of holidays taken either as a part of inclusive tours or individually, the type of tour operators, differences between seasons and between climate conditions. Destination competitiveness analysis may be further inhibited by consumer expectations, motivations, past experiences and the location, which could have an impact on directing the competitiveness of destinations in each market. Indirect competition becomes clear when it is uncertain to identify how consumers perceive similarities and differences between long and short-haul destinations

2. Destination choice and competitiveness

As with every industry and business, many tourist destinations are in competition with each other (Heath and Wall 1992). It is emphasised that the competitiveness is established between destinations and tourism organisations rather than countries because of the different aspects and features of the destinations in a country (Bordas 1992). This totally depends on how much a destination is more popular than its country, e.g. Edinburgh, Paris and Bali.

Nevertheless, according to this approach, each geographical part of a country can be in competition individually with other similar foreign regions on the basis of facilities, cultural heritage assets and natural history. For example, Istanbul, as a culture, business and congress tourism centre may be in competition with its

European counterparts; central Anatolia, as a culture tourism centre, with mainland Greece region and eastern European countries. In this sense, for summer vacation tourism Spain is not expected to be in direct competition with Turkey, but the Balearic Islands may be with the Aegean and Mediterranean coasts of Turkey.

It is clear that competitiveness between tourism organisations remains weak when mass tourism is the subject of the discussion. The majority of consumers may have experience of other destinations. It is also expected that consumers are likely to make comparisons between facilities, attractions and service standards of other destinations (Laws 1995). In general, “the choice of a particular good or service is the result of a comparison of its perceived attributes with the person’s set of preferences” (Fishbein and Ajzen 1975 in Laws 1995: 113). Accordingly, it is argued that a consumer selects a destination amongst alternatives and evaluates each alternative considering its potential to serve the benefits he looks for (Mayo and Jarvis 1981).

Tourist destinations are accepted to be a key component of the tourism system. Each destinations offers a variety of products and services to attract tourists. However, each tourist also has the opportunity and freedom to choose amongst a set of destinations (Laws 1991). Different factors may have an influence on destination choice. For instance, each tourist may have different motivations and preferences for different destinations. It is further suggested that attitude is a predictor of determining a destination to be selected amongst alternatives in the *awareness set* (Goodrich 1977; 1978; Mayo and Jarvis 1981; Um and Crompton 1990). Each destination therefore needs to know its performance levels through considering those strengths and weaknesses, which will affect both repeat visits and the nature of word-of-mouth communication to others considering a first time visit.

It is reported that tourists mentally categorise destinations. One proposed categorisation is into 'consideration' (evoked), 'inert' and 'inept' sets (Woodside and Lysonski 1989). The 'consideration' set includes all destinations that a customer is aware of and likely to visit to some extent. The 'inert' set represents all destinations that the customer is aware of but no decision is made to visit in a specific time period. Finally, the 'inept' set refers to destination (s) that the customer is aware of, but has no intention to visit in a specific time period. According to Um and Crompton (1990), tourists are expected to select a destination from a set of alternatives in the 'consideration' (evoked) set. Destinations effectively compete with each other for a place in the consideration set of their target consumers; findings empirically proved that any destination ranked as the first in the consideration set comes the first to be chosen for travel (Woodside and Lysonski 1989).

Despite the fact that there are thousands of destinations around the world, tourist destinations are subject to immense competition as potential tourists' ability to choose any of those from the set is limited (Woodside and Sherrell 1977). When a tourist selects a destination for their holiday in a given time, the competing destinations will lose their opportunity, as it is practically impossible for anyone to fulfil a desire to visit places all over the world. This refers to the importance of

consumers' awareness and familiarity with the destination and the marketing potential of the destination management for taking a place in the consideration set.

Some empirical papers have focused on the influences of tourist satisfaction and the level of previous experiences over the probability of return to the same destination. Future behavioural intentions are suggested to be not only an outcome of satisfaction and attitude towards destinations, but also experience-based measures such as previous experiences with the subject (Mazursky 1989). In addition to satisfaction variables, the level of previous experiences has also been found to be a determinant of the intention to revisit the destination (Court and Lupton 1997; Kozak and Rimmington 1999). On the basis of age groups, elderly people consider past holiday experiences more important than other age groups when choosing a destination (Gitelson and Crompton 1984; Ryan 1995). Research findings have confirmed that familiarity has a positive impact on the likelihood of revisiting a destination (Gitelson and Crompton 1984; Milman and Pizam 1995).

Therefore, destinations in the 'inept' set need action to bring them into the 'consideration' set. Destination management should always be aware of what they and their competitors provide and how they perform, due to the possibility of tour operators and consumers exploring new destinations. They should also pay attention to developments in consumer needs, wants and perceptions. For example, Greece monitors the changes over socio-economic, socio-demographic and holiday taking patterns of its international consumers (Kotler, Haider and Rein 1994). When tourist destinations are considered as an element of marketing mix (place), the importance of their performance levels seems clear.

3. Factors affecting Destination Competitiveness

In general, the competitive performance of organisations is defined from the input and output side. The input measure is based on physical and human capital endowment and research and development expenses. The output side covers profitability, market share, productivity, growth and so on (Jacopson and O'Callaghan 1996). Based on this grouping, the input side of destination competitiveness could be physical sources (tourist facilities, infrastructure and environment), human capital endowment (services), and marketing and promotion expenses. The output side is market share both in the number of arrivals and the amount of tourism receipts, productivity and so on.

As Pearce (1997) implies, a competitive analysis refers to comparative studies. Therefore, destination competitiveness can be evaluated both quantitatively and qualitatively. Quantitative performance of a destination can be measured by looking at numbers such as annual numbers of tourist arrivals, amount of annual tourism receipts, level of expenditure per tourist, length of overnight stays.

However, there is also a need to take into account the qualitative patterns of destination competitiveness, as these ultimately drive quantitative performance, e.g. socio-economic and socio-demographic profiles of tourists, level of tourist satisfaction, dissatisfaction or complaints, comments of tour operators or other intermediaries, quality of staff working in tourism, quality of facilities and services

in tourism. Dimensions contributing to qualitative competitiveness include those attributes or items which holidaymakers best liked during their vacation in the destination. The assumption here is that in arriving at a positive or negative view tourists will compare these attributes in terms of their experience in other destinations.

A Chinese proverb attributed to Sun Tzu, a Chinese General, in 500 BC has gained a respectful response from benchmarking researchers: “If you know your enemy and know yourself, you need not to fear the results of a hundred battles”. (Camp 1989: 253). This means that if the destination knows itself and its competitors, it should not be worried about the competition in the market. On the other hand, if the competitor is believed to be strongly competitive, it is important to consider. Battles could be both internal and external barriers affecting the success of the organisation or the destination and its competitiveness in the marketplace. These factors are explained in detail in the following section.

3.1 Socio-economic Profile of Tourism Demand and Changes in Markets

The socio-economic and socio-demographic profiles of tourism demand in potential markets are a determinant for affecting the choice to vacation and its direction towards particular destinations. The level of age, income, occupation, time, whom to travel with and personality play a significant role in determining destination choice process (Um and Crompton 1990). Consumers will be likely to choose destinations where any or all of these variables are better matched with what the destination offers.

Since every destination has a different product to attract consumers from different markets, it is unlikely to say that all destinations are able to compete for all market segments. For example, Spain is a strong player on beach tourism whereas Switzerland thrives on winter tourism. If a destination relies heavily on summer vacations and offers cheaper holidays with longer duration, it can attract tourists with low levels of income who intend to take vacations in summer time. To be competitive, a specific type of market segment can be attracted, e.g. youth, elderly people, explorers, fun-seekers, family groups and so on. This will reduce costs and increase benefits sought in favour of consumers (value for money).

3.2. Access to Tourist Markets (Distance)

How close a destination is to the tourist markets is another determination of destination competitiveness (Mill and Morrison 1992). Research findings revealed that there is a reverse relationship between perceived distance and intention to visit (Court and Lupton 1997) and revisit a destination (Mountinho and Trimble 1991). The competitiveness of short and long-haul tourist destinations was examined on the basis of comparison of prices levels, accommodation grading levels and distance levels between the British tourist market and the destination by Edwards (1993). Findings indicated that the level of prices were the strongest indicators of competitiveness between long- and short-haul destinations since the former destinations cost the consumer about double that of the latter destinations.

However, the distance sometimes may not always be important in affecting the flow of tourism demand to any destination. Some destinations such as the Caribbean and Mauritius could be less competitive when grade rises, which means that accommodation fares are likely to increase. Surprisingly, some other destinations such as the South-Asian destinations, Goa (India), Kenya and Sri Lanka become more competitive when accommodation grade rises. Therefore, it can be suggested that short and long-haul destinations not be regarded as direct competitors against each other. Moreover, any destination in the short-haul destination can compete with the other. This means that most of the Mediterranean destinations, for example, could be in a direct competition on beach holidays, e.g. Turkey, Spain and Greece. This may be the same for long-haul destinations.

3.3. Mature Tourist Destinations and Consumer Psychology

By classifying the psychology of consumers in tourism under two headings such as 'allocentric' (those who have active personality) and 'psychocentric' (those who have passive personality), Plog (1974) suggested that such typology could be effective in understanding why destinations fall or rise in popularity. According to his approach, destinations move from 'allocentrics' to 'psychocentrics' because the latter attracts those who discover a new place to vacation and enjoy. But as long as word-of-mouth communication is concerned and more others are informed, the destination begins to leave 'allocentrics' and move towards 'psychocentric' travellers on the psychographic scale. The degree of movement largely depends upon the extent to which a destination becomes popular. When it increasingly becomes popular, it means that natural resources may become deteriorated. As the destination is likely to become an 'ordinary' place, then 'allocentrics' will be substituted by 'psychocentrics'.

As a consequence, the destination faces several management and marketing problems since 'psychocentrics' are believed not to travel as often as 'allocentrics' do and stay and spend less. Moreover, it becomes more commercialised by losing its features which attract tourists and its competitiveness in the market. In such a situation, Plog (1974) suggests that destinations attracting more 'mid-centric' to 'psychocentric' tourists need to release new strategies in order to reach those who travel more often and spend more.

In the 'consolidation' and 'stagnation' stages of the resort life cycle model (Butler 1980), destinations are more dependent on inclusive tours. As a result, the rate of increase of tourists slows, whereas total numbers are still increasing and the demand profile of the destination is dominated by repeat visits (Laws and Cooper 1998). The yield gained from tourists using inclusive tour holidays is lower than that of others because the destinations dealing with inclusive tours are largely dependent on marketing channels via intermediaries, tour operators or travel agents. The destination will be at a disadvantage if intermediaries have more powerful bargaining power.

3.4. Influences of Tourist Satisfaction

Understanding what a satisfied customer needs and wants is the basic ingredient of a recipe in arriving at successful marketing and improving competitive advantage (Czepiel, Rosenberg and Akerele 1974). Attention is drawn to the importance of tourist perceptions in successful destination marketing since they influence the choice of a destination (Ahmed 1991), the consumption of goods and services while on holiday and the decision to return (Stevens 1992). The reason for this is that the majority of tourists have experience of other destinations with which they make comparisons for example between facilities, attractions and service standards (Laws 1995). As a consequence, customer-centred organisation or destinations will have greater opportunity to win over the competition (Kotler 1994).

Competitiveness is the key element of management and marketing strategy, therefore long-range planning and customer satisfaction should be the two major objectives of either tourism businesses or tourist destinations. Thus, maintaining a long-term relationship with customers is a part of competitive advantage. Among the long-term benefits of customer satisfaction are a shift upwards in the demand curve, reduction in marketing costs, increase in marketing costs of competitors to attract other's customers, reduction in customer and employee turnover and enhancement of positive word-of-mouth communication (Fornell 1992). The measurement of customer satisfaction provides benefits for both customers and organisations. The feedback from customers can be used to increase the level of service quality and employee motivations which in turn lead to more satisfied customers and employees.

Consumers are an important source of identifying external ideas for many products and services; surveys enable them to reflect on their opinions about and experiences with the destination and can be used to benchmark many aspects of performance against competitors.

3.5. Marketing by Tour Operators and their Perceptions of Destinations

Where package tours are concerned, the extent to which a destination can attract the interest of tour operators and how it can be included in their brochures will be effective in reaching the market. Tour operators feel themselves to be ahead of tourist destinations as they, as international suppliers and / or retailers, have to search for better products, applications or destinations for meeting consumer requirements and following changes in their wants and needs.

The image of the product (destination) is primarily influenced by tour operators' promotional activities in the tourist generating country. Depending on the volume of income or the appearance of any problem, tour operators are likely to switch their customers to alternative resorts / destinations (Carey, Gountas and Gilbert 1997). Tour operators consider themselves to be responsible for monitoring the situation in a destination; they offer holidays to alternative destinations if any threat is posed to their customers. If a destination is considered unsuccessful, tour operators are likely to exclude such destinations from their portfolios for the following season (Goodall and Bergsma 1990). In this regard, it can be claimed

that any competition between tour operators plays a critical role in increasing the competition among international tourist destinations (Buck 1988).

In short, marketing via tour operators presents benefits as well as threats for the competitive position of any destination in the international arena. A good example can be given from Turkey. Most tourists visiting Turkey have booked via a tour operator. Turkey takes a higher place on the league table of international destinations when internal or external economic, social or political crisis disappear and tour operators are promoting and selling it. On the other hand, it has a lower ranking when any of these crisis is in upward trend and tour operators stop selling it.

3.6. Prices and Costs

The price elasticity of tourism demand is assumed to be high (e.g. Icoz and Kozak 1998). Thus, any percentage change in prices is expected directly to encourage or discourage a travel to a certain place. Cost leadership is one of the two primary objectives for gaining competitiveness (Porter 1985). The relative prices of a destination in comparison to some other places are the main destination attribute for motivation to travel. Smeral (1997) contends that some mature destinations are forced to compete with others at price levels, but are less competitive in prices or costs. For instance, destinations such as Turkey, Cyprus and Greece have appeared with their cheaper labour and production costs against Spain, Italy and France.

Given the results of a brochure-based price competitive analysis, some researchers attempted to measure the competitiveness of destinations (Edwards 1993; Briguglio and Vella 1995). For instance, Turkey was found to be cheaper than Malta for the German market and Mallorca for the British and German market (Briguglio and Vella 1995). Nevertheless, it was highlighted that 'the price becomes less significant factor in holiday decision-making due to the decrease of elasticity in tourism demand. Instead value for money is what guides the choice of most tourists.' (Buhalis and Cooper 1998, p.86). Therefore, value for money and product quality are the main objectives for enhancing competitiveness (Carey, Gountas and Gilbert 1997).

3.7. Exchange rates

In the theory of tourism economics, a tourist is expected to prefer travelling to a destination where the value of his own currency is higher than others (Witt and Martin 1987). Findings of an empirical research with respect to major economic variables influencing foreign tourism demand through Turkey indicated that the foreign currency exchange rates had a significant impact over tourism demand (Icoz, Var and Kozak 1998). Turkey was seen as a cheaper country by British and German holidaymakers since the value of Turkish Lira (TL) against British Sterling (£) and German Mark (DM) has decreased considerably in the recent years. As a result, the room rates of accommodation facilities remained at a low level, stimulating the interests of foreign tourism demand and tour operators.

In international tourism competitiveness, there is a close relationship between changes in exchange rates and changes in the level of prices. In other words, positive or negative changes in exchange rate of a sample country against those of tourist generating countries may lead to an increase or decrease in the level of tourist product and service prices (Icoz and Kozak 1998). For instance, Switzerland and Japan have become more expensive countries while Israel and Greece are relatively cheaper in the eyes of potential tourists as a result of fluctuations in exchange rates.

3.8. Use of Information Technologies

It is believed that the future competitiveness of tourist destinations will largely depend on the range of new telecommunication technologies being used and the extent to which destinations have access to the marketing and promotion opportunity via such technologies (Buhalis and Cooper 1998). Inequality in gaining access to information technology (IT) may possibly create first and second class tourist destinations, organisations and consumer groups (Rimmington and Kozak 1997). Such imbalance between developed and developing countries or tourist destinations could be the direct consequence of IT for the international tourism and travel marketing. Tourist destinations and organisations with undeveloped telecommunication structures could be less suitable for the internet marketing as being slower, weaker and more expensive. Despite the benefits of the internet, small tourism organisations may not be able to afford it. Thus, large organisations will be able to preserve their leadership by dominating internet marketing activities.

Distribution channels in tourism and travel are undergoing a dramatic change. While large or international businesses have welcomed new developments in IT seeing them as opportunities to be more competitive in the market, small and medium-sized businesses are forced to adapt themselves into the new business environment.

However, the question as to how to investigate the extent to which the competition (or balance) between developed and developing countries, or destinations, will be affected by such developments in IT remains unanswered. Does this mean that businesses in developing countries cannot sell their tourism products on the internet since they do not have ready access to IT as in many developed countries? Or do intermediaries still have a catalyst role in keeping both types of countries on the balance? Current trends demonstrate that developing countries such as the eastern Mediterranean, eastern Europe and the Far-east are becoming increasingly popular both for individual and mass tourism activities. They are considered culturally and naturally attractive, exotic and up-market destinations. It is difficult to predict if this will continue when the use of IT spreads.

3.9. Safety, Security and Risk

The view that image is a critical factor while choosing destinations to vacation is widely supported (e.g. Court and Lupton 1997; Goodall 1988). Making tourists feel secure and safe before and during the vacation is essential to the international competitiveness of destinations. Additional destinations can take place in the

consideration set of the destination choice model if a new destination is suggested and new information (e.g. recent violence or political or social unrest) is supplied either by friends or media (Sonmez and Graefe 1998). In his analysis of the Florida tourism industry, Brayshaw (1995) states that negative image created by being unsecured may damage the tourism industry because the negative word-of-mouth communication which results from negative images cannot be avoided, even if a destination has high quality tourist attractions.

During the vacation, there is a possible risk of violence against tourists, or petty crime in tourist destinations. Safety and security problems are higher in particular destinations which are experiencing rapid development in their tourism industry (Tarlow, Pizam and Bloom 1996). Survey results revealed that perceived risk and safety concerns were found to be stronger predictors of not choosing regions (or some destinations) for vacation in the future (Sonmez and Graefe 1998). Those who perceived certain destinations 'at risk' are likely to avoid them in their future travel plans, e.g. the Middle East and Africa.

Internal social and political turmoil are other issues which need to be considered within the perceived risk of tourist destinations. The existence of unrest in some countries such as Romania, the former Yugoslavia, Tunisia and Egypt in recent years has affected their previous positive trends in the development of tourism activities.

3.10. Product Differentiation (Positioning)

The differentiation of products is another factor in maintaining competitive advantage (Porter 1985). There is a close relationship between competition and innovation; new product development therefore will be the cornerstone of destination competitiveness. Differentiation can be dependent either on product or market. Different approaches to the definition of destination positioning exist in the literature. For instance, Heath and Wall (1992: 114-5) state that positioning is "the art of developing and communicating meaningful differences between a region's tourism offerings and those of competitors serving the same target market". Similarly, Crompton, Fakeye and Lue (1992: 20) refer to "the process of establishing and maintaining a distinctive place for a destination in the minds of potential travellers within target markets". Therefore, customer perceptions could be regarded as a correct destination positioning strategy (Javalgi, Thomas and Rao 1992). Ahmed (1991) emphasises that:

"the comparison of destinations' strengths and weaknesses with those of competitors is an element of a correct product positioning strategy. A destination should select a position in which it can attain a strong competitive advantage and link it to target markets".

Similarly, Grabler (1997) claims that an accurate positioning strategy requires the comparison of a product with its competitors. The position where the host destination has a great difference from its competitor (s) will represent its uniqueness. Given this, the competitive advantage of a destination could be gained

by improving and innovating different aspects of its characteristics, such as increasing the quality of the existing tourist resources and services and adding new and attractive features (Choy 1992), improving technology and the productivity of the standardised production of services and improving the effective use of capital (Bordas 1994). Goodall (1990) mentions the importance of innovation, improvement and extension of transport networks and new and revised legislation for the comparative advantage of destinations. He also adds that destinations need to be very sensitive to such changes in order to maintain their market shares and introduce new products to increase the homogeneity of demand for the destination.

To give an example, Poetschke (1995) states that island destinations have several disadvantages in securing a proper place in destination competitiveness. Factors which inhibit their destination competitiveness include limited access (by air or sea only), fragile ecosystems and dependency on tourism. They are also limited in the variety of products on offer. Moreover, Sandbach (1997) states that long-haul and exotic destinations are becoming competitors against European destinations for the European tourists. Europe has become a mature tourist destination and has experienced difficulties adapting itself to meet changing consumer needs and wants.

3.11. Adequacy and Quality of Tourist Facilities and Services

An efficient service is expected for check-in and check-out procedures at the destination airport along with accommodation facilities, food and beverage facilities. Since time is limited, tourists intend to have more experience in a shorter time rather than wasting time in queuing or complaining. As far as mass tourism and package tour holidays are concerned, tourists are becoming more sensitive towards services, particularly at the resort airport and accommodation facilities.

Keller and Smeral (1997) claim that destination-based factor endowments such as natural and cultural resources, capital and infrastructure resources, and human resources affect the competitiveness level of a destination. The authors further state that quality in tourism encompasses three main components:

- natural quality (environmental matters)
- material quality (facilities such as accommodation, restaurants, shopping, sport and cultural etc.)
- non-material quality (services such as information guidance, housekeeping, speed of check-in and check-out procedures etc.)

A destination competitiveness is sensitive to these components. The implementation of factor-creating mechanisms such as education, research and development and investment programmes are some of the most significant tools for creating a sustainable competitive advantage for international tourist destinations. Eliminating bureaucratic barriers could further improve tourist services and quality, and reinforce the competitiveness of a destination (Keller and Smeral 1997).

3.12. Quality of Environmental Resources

In an increasingly competitive business environment, the environmental quality of the tourist destinations represents a vital ingredient in the recipe for success. Therefore, it is proposed that to remain competitive in the future marketplace, both destinations and organisations must adopt environmentally-friendly policies (Zahra 1999). Policies and programmes which are designed to protect natural resources whilst simultaneously making use of them have already been established by most tourist destinations and tourist organisations.

Even though environmental quality is considered to be a key element of the determination of competitiveness in tourism, the most distinctive part of the tourism industry (or tourism economics) is that it does not yet take into account the opportunity cost of environmental resources when producing a tourism product. Hence, it is believed that tourism services (or products) are cheaper because tourism suppliers think that such tourism resources do not need any cost to complete the whole product. Moreover, tourism suppliers are currently unwilling to accept their responsibility for the negative consequences of tourism development such as deregulation, overcrowding, traffic congestion, garbage and so on.

It is evident that environmental considerations are a significant element affecting a travellers' destination choice. Research findings revealed that about half of German tourists have considerable awareness of environmental quality issues when choosing a destination to vacation (Ayala 1996). It is believed that the future competitiveness of destinations will be based on the extent to which they are concerned with their sustainability. Therefore, existing tourist destinations are keen on developing new strategies and releasing policies on how to protect the natural environment and present themselves effectively to the market. The importance of environmental quality becomes clear when the degradation of beach quality at 'sea, sun and sand' holiday destinations leads to a negative impact on the number of tourist arrivals, length of bednights and the number of repeat visits. As a consequence, a low level of tourism income is generated (Dharmaratne and Brathwaite 1998).

3.13. Human Resources

Human resources are deemed to be one of the most significant inputs within the organisation to gain full competitive advantage (Ireland and Hitt 1999). As a part of the service industry, tourism will continue to require a great number of skilled human resources to decrease labour shortages in the near future. It is widely known and accepted that tourism is an industry which requires an intense face-to-face contact between hosts (or staff) and tourists. Attitudes of local people towards tourists, approaches to tourism development and the development of programmes to train both personnel and local people will indicate the position of a destination in the competitiveness set.

3.14. Government Policies (Entry barriers)

The development of tourism can make a considerable contribution to regional economic development. This has led the governments of some countries to take responsibility for investment, control, planning, co-ordination and financial issues within their nation's tourism industry. By using these responsibilities, governments can control the flow of tourists to the country. Therefore, where tourism is considered to have a negative impact on social and natural structure, restrictions to entry can be established. Where tourism is considered, governments strongly encourage the development of the tourism industry to attract more tourists and higher income. For example, in an attempt to increase the number of tourist arrivals, the Kenyan government has recently decided to drop the visa charge for those from some European countries (The Times 1999). The growth of public-private partnerships in tourism management and promotion of countries such as Germany, Romania, Tunisia and India have also been observed (<http://www.world-tourism.org>).

Those who release comprehensive contemporary tourism programmes and open their national resources to the experience of the foreign public will gain the advantage of being a leader in the international tourism industry.

4. Indicators of Destination Competitiveness

There are a number of criteria to assess the performance of tourist destinations on the table of competitiveness; however, this study will explore only four of these. These are the volume of tourist arrivals, the volume of repeat tourists, the volume of tourism receipts and the share of tourism receipts in Gross National Product (GNP) which are explained in detail below.

4.1. The volume of tourist arrivals

As a traditional approach, the number of foreign arrivals has been used to rank all destinations (or countries) on the list. The higher the number of annual tourist arrivals, the stronger the destination in competitiveness. The performance of a particular destination or region is also examined by evaluating the percentage changes over the total number comparing to the preceding years. For instance, China was ranked as the fifth most tourist receiving destination in 1996, while it was 12th in 1990. Though this method has been used by leading tourism organisations, primarily World Tourism Organisation (WTO), over many years, it has several weaknesses, including the difficulty of collecting reliable data and of anticipating the future.

4.2. The volume of repeat tourists

The basic idea of this approach is that the higher the number of repeat tourists to the same destination and the higher the frequency, the more it is attractive and competitive in the market. However, the high level of repeat visits is not a panacea since it will not necessarily offer the destination a competitive advantage over similar destinations. In other words, repeat visits can be a problem as well as a

strength. For instance, some mass tourist destinations such as the Spanish islands (the Balearic and Canary Islands) attach themselves to Plog's (1974) psychocentric tourist typology by attracting high density repeat tourists from Europe with their low level of income and the tendency to prefer largely package tours.

Oppermann (1998: 135), however, claims that "in fact, destination marketers do not really have to worry too much about the repeat visit ratio until it exceeds the 70 % and 80 % mark. By that time, however, the destination really needs to reposition itself to attract new and different segments and to maintain its long-term viability". He further suggests that although the repeat business ranging between 50 % and 80 % from the same market is accepted to be in the critical boundary, destination management should take this into account in their future planning. In his most recent paper, Oppermann (1999) emphasised that destination management does not have to focus on raising the percentage of repeat customers, but could release a strategy to serve a mixture of both first-time and repeat customers.

Therefore, authorities should establish different marketing strategies appropriate to each market segment (Mountinho and Trimble 1991). For example, in response to Mallorca's difficulties balancing its first-time and high propensity repeat customers amongst both British and German markets, destination management has focused upon attracting tourism demand from Poland and Russia as emerging potential tourist markets.

4.3. The volume of tourism receipts

The quality of tourists could be more important than their quantity to the success of any destination. For example, considering the expenditure level of each tourist could be more rational than the number of tourists in determining how tourism can provide benefits to the destination. Thus, the notion that the greater the number of tourists, the greater the net income generated to the local economy sometimes cannot be supported. In that case, the volume of total tourism receipts yielded from international tourism could be an indicator of the measurement of destination competitiveness, since the more the amount of tourist spending the higher the multiplier effect.

4.4. The share of tourism receipts in GNP

Any development in a particular tourism industry is recorded as a direct contribution to GNP. The comparison analysis on the basis of the proportion of tourism incomes within GNP between more than two destinations will display which destination is yielding more benefits from international tourism. However, a destination with a high proportion of GNP raised from tourism is at risk from becoming over-dependent on the tourism industry.

Conclusion

As a result of the sensitive structure of the tourism industry towards political, economic, social and environmental changes, including the risk of natural disasters, it is difficult to recommend a single model or a single way to measure international

tourist destination competitiveness and justify its reliability. It is obvious that few destinations compete with one another for all market segments. In other words, it is not reasonable to pair a summer and a winter destination or a summer and an urban destination. The diversity of tourist destinations will also make it more difficult to put all destinations in a single basket and rank them from the highest (or the best) through to the lowest (or the least competitive). This study has presented not only common factors thought to be influential over the competitive position of any type of destination, but has also identified strengths and weaknesses of some of the common measures which can be used for ranking destinations and evaluating their performance levels. Competitors should be monitored on a regular basis in line with the effective factors presented in this study. This will enable the destination to reinforce the analysis of the market and identify its own as well as others' strengths and weaknesses. The findings may help the destination to develop the correct positioning strategy.

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