

## CHAPTER 1: GENERAL ORIENTATION OF THE STUDY

### 1.1 INTRODUCTION

As rapid changes within the global environment transform the movement of people and a myriad of destinations become available to potential tourists, destination competitiveness no longer remains a theoretical topic of discussion. The ability of a destination to meaningfully distinguish itself from competitors, whilst also creating sustainable prosperity for all the stakeholders involved, is no longer an advantage, but has become a necessity. Various elements have been researched to determine their contribution to destination competitiveness; usually at a time when the specific elements were considered to be trends or priority issues. One such element, which stands out in terms of its potential to create considerable benefits or 'legacies' within various spheres of a destination, is the hosting of mega-events. Considering that mega-events are often the main reason why tourists visit a destination, such events create a unique, limited opportunity for a destination to showcase itself to an international audience. The challenge posed to event organisers and destination managers is to execute the mega-event in such a way as for it to secure lasting positive legacies and contribute to overall competitiveness of the host destination. This study was approached from the perspective of stakeholders in destination marketing and management; exploring the potential of mega-events to be leveraged as a tool to create sustainable destination competitiveness.

#### 1.1.1 The changing nature of destination competitiveness

Within the international business environment, competitiveness is a well-known and widely applied concept (Ritchie & Crouch, 2003:12). It started gaining importance in the tourism industry and specifically in the field of strategic destination marketing and management at the turn of the century, as is evident from the works of among others Crouch and Ritchie (1999), Dwyer, Forsyth and Rao (2000), Fayos-Sola (1996), Hassan (2000), Kim (1998), Kozak and Rimmington (1999), Pearce (1997) and Ritchie and Crouch (2000). Enright and Newton (2004:339) states that "... industry competitiveness has become an established topic for researchers, policy-makers and practitioners", while at the same time

“... tourism destination competitiveness, in particular, is becoming an area of growing interest among tourism researchers”.

The majority of academics and practitioners alike have focused their research efforts on individual factors as indicators of competitiveness, including among others sustainability (Hassan, 2000; Mihalic, 2000); integrated quality management (Go & Govers, 2000); benchmarking and marketing (Buhalis, 2000; Seymour, 2007); price competitiveness (Dwyer, Forsyth & Rao, 2000); destination image (Formica, 2002); destination resources (Melián-González & García-Falcón, 2003); service delivery (Jones & Haven-Tang, 2005; Poon, 2003); tourism products (Du Rand, 2006); destination life cycle (Butler, 2006); distribution channels (Seymour, 2009); and SMME's (Jones & Haven-Tang, 2005).

The dynamic nature of the tourism industry and dramatic changes within the global marketplace, have forced destination managers to take a more integrated approach toward destination competitiveness. As a result, various researchers developed comprehensive models (Barbosa, 2008; Dwyer & Kim, 2003; Hassan, 2000; Heath 2002; Jonker, 2003; Ritchie & Crouch 2003) that aim to integrate the multitude of dimensions and indicators that form part of the concept destination competitiveness.

All of the individual elements (indicators) investigated through the respective studies mentioned previously, are included in the various models in some form of another; whether as a main category of the model or a smaller sub-indicator within a category. It can be argued that, even though a destination's competitiveness should be studied from a broader model perspective in order to be a true reflection of its long-term sustainability, the evaluation of individual elements and indicators still remain a viable endeavour.

This argument can be supported by a two key factors. Firstly, when considering the changing trends in destination marketing (Gretzel, Fesenmaier, Formica & O'Leary, 2006; Heath, 2009c; Seymour, 2008; Li & Petrick, 2008), certain elements become either more or less 'important' in business practice and one can observe a more frequent utilisation of specific 'tools' in destination marketing strategies. The question then arises: where (and if) do such tools fall within the broader models of destination competitiveness? Secondly, the fact that research is continuously being carried out on newly emerging aspects and

determinants of long-term competitiveness, with the specific aim of including these indicators into the models and determining their relative contributions toward competitiveness (Barbosa, 2008; Dwyer, Mellor, Livaic, Edward & Kim 2004; Enright & Newton, 2004; Enright & Newton, 2005; Mazanec, Wöber & Zins, 2007:87; Ritchie, Crouch & Hudson, 2001).

It may thus be stated that no individual element's possible contribution to destination competitiveness should be regarded as fully defined, and there will always be opportunity for further research. It can also be stated that the study of individual indicators may only be regarded as a meaningful contribution to the field of destination competitiveness, if such work is done within a holistic context and findings have purposefully been linked to existing models of competitiveness.

### **1.1.2 Mega-events as a key element of overall destination competitiveness**

According to Getz, the study of events is neither new nor exclusive to tourism, but has "... long existed within several disciplines, manifested in research and theory development ..." and that "... the term 'event tourism' was not widely used, if at all, prior to 1987 ..." (2008:405). Various aspects of events have been studied, with the majority being from an event management perspective. Studies that have been undertaken from an event tourism perspective focus mainly on marketing or event impacts (Getz, 2008:409).

Mega-events specifically have "long been defined and analyzed in terms of their tourist attractiveness and related image-making or developmental roles" (Getz, 2008:407). It has only been over the last decade however (in the run-up to the 2000 Olympic Games in Sydney), that there has been a significant move toward gaining a greater understanding of the 'legacies' of such events for host destinations (Preuss, 2007:210) and on event leverage as opposed to event impacts (Chalip, 2006:112). Despite this growing awareness of the need to analyse mega-events in their entirety as happenings that have multi-dimensional positive and negative implications for host destinations, very little work could be found that focus specifically on mega-events as contributors to overall destination competitiveness. Getz even states that "... many planned events are produced with little or

no thought given to their tourism appeal or potential ..., and sometimes there is simply no relationship established between events and tourism” (2008:408).

Events (including mega-events) are recognised as an important component within the destination competitiveness models (Heath 2002; Ritchie & Crouch, 2003). Getz (2008:403) states that “The role and impacts of planned events within tourism have been well documented, and are of increasing importance for destination competitiveness.” He continues to state that events are usually regarded as “... an application of or speciality within national tourism offices and destination marketing/management organisations ...” (2008:406). Such events affect and are in turn affected by many factors within the destination. They hold a range of possible benefits for the destination, with the economical and social impacts being the most prominent and most widely researched (Chalip, 2006:112; Steyn, 2007:10; Wood, 2005:38). The impacts also extend to include cultural, physical, technical and psychological impacts (Ritchie, 2000; Wood, 2005:38); all of which do not necessarily culminate into positive long-term benefits for the host destination (Preuss, 2007:210).

## **1.2 PROBLEM STATEMENT**

The focus has moved away from giving consideration to a few individual, loose-standing international measures of competitiveness, toward determining all the relevant elements and indicators related to the long-term, holistic wellbeing and success of a destination; an approach that will include an increased focus on environmental and social dimensions of tourism destination management and marketing (as eluded to in Crouch & Ritchie, 1999; Dwyer & Kim, 2003; Hassan, 2000; Heath, 2002; Mazanec *et al.*, 2007; Mihalic, 2000; Ritchie & Crouch, 2000). It is therefore apparent that if an element is considered as a potential contribution to destination competitiveness, it has to be investigated from within the models of sustainable destination competitiveness.

One such topic, which has gained increasing attention over the last two decades, and which features prominently in the development and marketing plans of destinations, is that of events (Getz, 2008:403). According to Getz, the greatest part of academic work on the topic of special events, such as mega-events, can be found within the study fields of event

management and event studies (event perspective). Within this field, the focus is on the managerial and operational issues associated with events. More specific reference to tourism and event host destinations can be found in the specialisation field named event tourism (tourism perspective). Studies within this field focus primarily on the aspects of marketing and event impacts (2008:409). This focus on marketing is confirmed and somehow rationalised by the statement that numerous destinations use events to reinforce their brand, and that they “can be powerful in anchoring, and sometimes even changing, a destination’s image” (UNWTO, 2009:20). Within the literature on destination competitiveness, many studies exist on the importance of branding. However, not all of these studies include the aspect of events; which is in contrast to the supposed contribution of events to destination branding.

Although being very important, destination branding and imaging is but one aspect of overall destination competitiveness. Within the broader competitiveness perspective, the concept of ‘competitive identity’ has to be supported by competitive practices throughout the destination. The question thus arises from a strategic destination management perspective: how do mega-events fit into the broader concept of destination competitiveness? No destination is guaranteed success and long-term competitiveness by being offered the opportunity to host a major international event. In some instances a mega-event can cause more harm than good to the destination at large (Chalip, 2004; Preuss, 2007:210). The City of Atlanta is one such host destination, where the 1996 Olympic Games resulted in a tarnished image of over-commercialisation for the city (2003:40). Destination managers and event organisers may not be able to, through a given mega-event, replicate the legacies previously created by similar events and it is often difficult to predict event legacy (Preuss, 2007:213). Even though successful host destinations may serve as benchmarks for others, they may not necessarily be at the forefront of competitiveness in terms of all the multiple dimensions encompassed in an international destination.

What research has to establish then, is the ways in which a mega-event can contribute to overall destination competitiveness and how it has to be leveraged to optimally serve as strategic tools toward this goal. When employing a mega-event as a destination marketing tool, one also has to consider the unique nature of the destination and the way in which

the competitiveness model can appropriately be applied within the destination context, in order to meaningfully determine the mega-event's contribution to overall destination competitiveness.

### **1.3 PURPOSE STATEMENT**

This study aims to establish a framework for effectively leveraging mega-events as an element of overall destination competitiveness – a different yet relevant approach away from the popular focus of event studies. It starts off by exploring the current approaches toward destination competitiveness as a research topic, as well as from a practitioner's point of view, and aims to determine where mega-events fit into the popular models of competitiveness. From the exploratory descriptive literature study, apparent critical success factors (CSFs) for the hosting of mega-events are identified from a tourism management perspective. These CSFs are then built upon through exploring events literature to identify related and relevant topics and approaches from an event management perspective. International practices in the management of mega-events are also studied in order to capture the key lessons that could be learnt from these best practice case studies. Based on the resulting list of apparent CSFs, a situational analysis is conducted on the City of Tshwane, followed by an empirical survey through interviews with key industry stakeholders to test the relevance of the CSFs in a destination of this nature. A final set of CSFs is identified, based on the contribution of the individual factors to the relevant components of a popular model of destination competitiveness. Based on this set of CSFs, a framework is developed whereby mega-events could be leveraged before, during and after the actual event; in order to ensure optimal alignment with the overall marketing and management of the destination.

## 1.4 RESEARCH OBJECTIVES

The study was guided by the following specific research objectives:

- To explain the concept of destination competitiveness as it is presented in the literature.
- To determine the current approaches toward measuring destination competitiveness.
- To establish the position of mega-events within destination competitiveness models.
- To review the most recent literature on mega-events within the fields of event management and event studies.
- To explore international case studies of the hosting of mega-events in order to understand current practices.
- To determine positive as well as negative perspectives for the international case studies.
- Based on the literature study and case studies, to identify the apparent CSFs for leveraging mega-events as an element of overall destination competitiveness.
- To form an understanding of the status of the City of Tshwane as host city for the 2010 FIFA World Cup™ and to test the relevance of the identified apparent CSFs with relevant industry stakeholders in the City of Tshwane.
- To establish the CSFs for leveraging mega-events from the viewpoint of destination marketing and management stakeholders.
- To determine how/where CSFs link into a popular model of destination competitiveness.
- To propose a framework whereby the CSFs can be managed.
- To provide recommendations and guidelines for implementation of the proposed framework.

## 1.5 IMPORTANCE AND BENEFITS OF THE STUDY

The opportunity to serve as the host of a high-profile mega-event has become a sought-after status for countries and cities worldwide; making this a very relevant topic for research (Getz, 2008; Chalip, 2006; Preuss, 2007). Considering the numerous potential benefits associated with such an event, it is easy to understand why countries and cities include hosting major events as significant components of their tourism development and marketing strategies (Getz, 2008:407; Steyn, 2007:10).

This is also the case for the City of Tshwane in South Africa, which was selected as one of the nine host cities to the 2010 FIFA World Cup™. The challenge posed to the City was to ensure not only positive legacies, but also to determine how this major sporting event could effectively be leveraged to enhance its competitiveness as a global city tourism destination. On a practical level, the development of a framework for the management of mega-events as a tool toward overall destination competitiveness, addresses this precise need. It could be useful to authorities and industry members to ensure that such events are indeed optimally leveraged to enhance the performance and sustainability of the host destination. If applied effectively, it could encourage greater cohesion between the event organisers and destination managers, and subsequent discussions and planning for event leverage could be guided to better address the interests and objectives of all stakeholders involved in, and affected by the mega-event.

On an academic level, the study can make a valuable contribution to the limited academic work on mega-events from a destination competitiveness perspective. Existing literature on mega-events primarily focuses on an event management or a sports tourism perspective. In the case of event tourism, the focus is mainly on impacts and marketing (Getz, 2008:409). However, from both the event management and event tourism perspective, increased attention is being given to gaining a greater understanding of the 'legacies' of such events for host destinations, from a destination management perspective (Chalip, 2006; Chalip, 2004; Preuss, 2007:210). Despite the growing awareness of the need to analyse mega-events in their entirety as occurrences that have multi-dimensional positive and negative implications for host destinations, very little work could be found that focus specifically on mega-events as contributors to overall destination competitiveness.



Getz states that there is great scope for theoretical advances in event tourism studies and related research (2008:421) and, more importantly for this study, that “The search for competitive advantage [through events] has not produced much research on strategy.” (2008:417). In his discussion on knowledge gaps and ‘productive lines or research’ in the field, he identified event tourism planning, development and marketing as unexplored research themes that will have to look at organisations involved, stakeholder networks, policy making, goals and strategies, impacts and evaluations. Harris, Jago, Allen and Huyskens (discussed in Getz, 2008:422) also identified the need for future research on events, and indicated it as being: (i) identification of consumer needs and motivations and target marketing (for event managers); (ii) event failure, risk management and research methods (for government officials); and (iii) risk management, valuing the events industry and event failure (for academics). It can be argued that the multi-dimensional nature of destinations leads to the relevance of all these topics in some form and extent, especially when working from the perspective of overall destination competitiveness.

This study aims to address this gap in the literature by bringing the two study fields of event management and event tourism together and to determine how and where mega-events could feature as prominent tools within the popular models of destination competitiveness. So doing the study also aims to contribute to the desired ‘strategic’ approach for event leveraging that looks beyond the triple-bottom-line and destination marketing and branding legacies.

## **1.6 DELIMITATIONS AND ASSUMPTIONS**

In order for the study to effectively speak to its problem statement and objectives, it is important to clarify what the research did not intend to do or include. It is also necessary that the researcher unreservedly states any assumptions without which the research problem would not even exist (Leedy & Ormrod, 2005:57).

### 1.6.1 Delimitations

By setting delimitations, the researcher is continually guided toward the focal centre of the study by distinguishing between relevant and irrelevant information (Leedy & Ormrod, 2005:55). The current study is bounded by a number of delimitations, as will now be discussed.

This study looked at the competitiveness of tourism destinations in totality from a destination marketing and management perspective, and did not focus on individual tourism businesses/units/attractions within the host destination per se.

Various models of destination competitiveness have been introduced and briefly explained, but they have not been analysed in depth, or critically compared in terms of their differences and relevance. The model that has been applied in the development of the framework, namely the Ritchie and Crouch model, has been elaborated upon and the choice of this specific model has also been clarified.

The focus of this study did not include measuring the impacts of events against all the elements of the competitiveness models respectively. The focus has rather been on determining the manner in which mega-events, as a tool, could contribute to certain key areas of the models and to identify what these key areas were that directly link to mega-events.

This study focused on leveraging mega-events, and subsequently did not include other types and sizes of events that are and can be held within destinations (as is currently the practice in many destinations). Although the mega-event focused on in the case study is of a sporting nature, mega-events have been viewed from within the study field of event tourism (which in itself is recognised as being inclusive of all planned events) (Getz, 2008:405). The difference between event tourism and sport tourism has not been debated in this study as the researcher does not regard them as being mutually exclusive.

Although both the impacts and legacies of mega-events have been referred to in the study, the difference between impacts and legacies has not been addressed in depth as a

separate topic of discussion. Instead, both impacts and legacies have been mentioned and discussed in such a way as to understand their different contributions as far as overall destination competitiveness is concerned.

Event tourism as a niche market for destinations has to be considered from both the perspectives of demand (event consumers) and supply (event destination) (Getz, 2007). According to the definition of stakeholders, as it will be used in this study, event consumers as such are also included. However, within the scope of this study, the focus will be on the supply-side stakeholders (destination marketers and managers and event organisers); with limited reference being made to the demand-side as a CSF and component within the proposed framework.

The study aimed to develop a credible set of CSFs by using triangulation between tourism literature, event literature, as well as stakeholder interviews. However, statistical tests have not been employed to determine the factor importance of the CSFs.

In order to present the City of Tshwane as case study for the empirical component, background information has been provided on the City both as a tourism destination, and as host city for the 2010 FIFA World Cup™. Primary data collection ended shortly before the start of the event, due to time restrictions on the part of the participants. Secondary data was also restricted to information that had been available before the start of the event. This study thus provides information in terms of readiness and expectations, and excludes information on performance during and post-evaluation of the actual event.

### **1.6.2 Assumptions**

Apart from clearly stating the delimitations, it is also important for the researcher to state the assumptions underlying the study. In so doing, misunderstandings can be prevented and the resulting research findings may be better accepted (Leedy & Ormrod, 2005:57).

Within the scope of this research study, the following assumptions apply:

- All destinations compete in the international arena, either actively or passively;
- Mega-events are familiar occurrences in the tourism industry;
- Guidelines for mega-events can be applicable to other types of events;
- Tourism researchers and practitioners can use the lessons from case studies;
- The City of Tshwane is regarded as a tourism destination;
- The City of Tshwane has prepared itself to be a host city of the 2010 FIFA World Cup™.

## 1.7 RESEARCH DESIGN

The study is guided by interpretivism; thereby stating that the researcher took on an empathetic stance in an attempt to understand the complex and unique situation that exists because of a particular combination of circumstances and individuals (Saunders, Lewis & Thornhill, 2007:106). In line with interpretivism, a subjective view was taken to explore the subjective meanings motivating the participants (Saunders *et al.*, 2007:108). The research took on an inductive approach with the aim to build theory (a framework) by taking particular notice of the context in which events take place (Saunders *et al.*, 2007:119).

The empirical component of the study took on the form of a case study research strategy, which is in line with the research paradigm and approach described previously. A multi-method research choice was employed to collect and analyse both primary and secondary qualitative data from the case study (Saunders *et al.*, 2007:145). This research choice effectively served both the exploratory and descriptive aspects of the study. By using the combination of data collection methods, the different views present in the case study could be established more reliably (Saunders *et al.*, 2007:119) and it also assisted with establishing the validity of the findings.

The study was cross-sectional, as it looked at a case study at a particular point in time and participants were only interviewed once (Kotzé, 2009:6). All data collection took place before the beginning of the event with the aim of understanding the City's readiness and

preparation for the event. Documentary secondary data was used and written material was purposefully sampled from the City of Tshwane Tourism Division. Strategy documents, workshop reports and promotional material were studied to gain rich information on the City's tourism strategy, as well as their strategy/initiatives related to 2010 FIFA World Cup™. For primary data collection, semi-structured, in-depth interviews were conducted. This allowed for meaningful discussions around a number of central questions pertaining to the research problem (Leedy & Ormrod, 2005:146).

The target population included individuals from both genders (not race specific), who were regarded as experts in the fields of tourism and/or event management. They were primarily situated in Tshwane, seeing that this was the case study area. However, where necessitated by logistical factors (for example an office situated outside of Tshwane), these individuals were still included in the target population. The final study includes a total of 20 participants from across the various sectors, chosen through a combination of purposeful, snowball and discriminant sampling. Heterogeneous or maximum variation sampling was used to create a balanced portfolio of information-rich participants from the tourism/event industries, as well as from both the public. Care was also taken to select individuals that serve on different levels within organisations (from top management to departmental level). This inclusion of diverse individual cases allowed for more effective identification of the key themes (Saunders *et al.*, 2007:232).

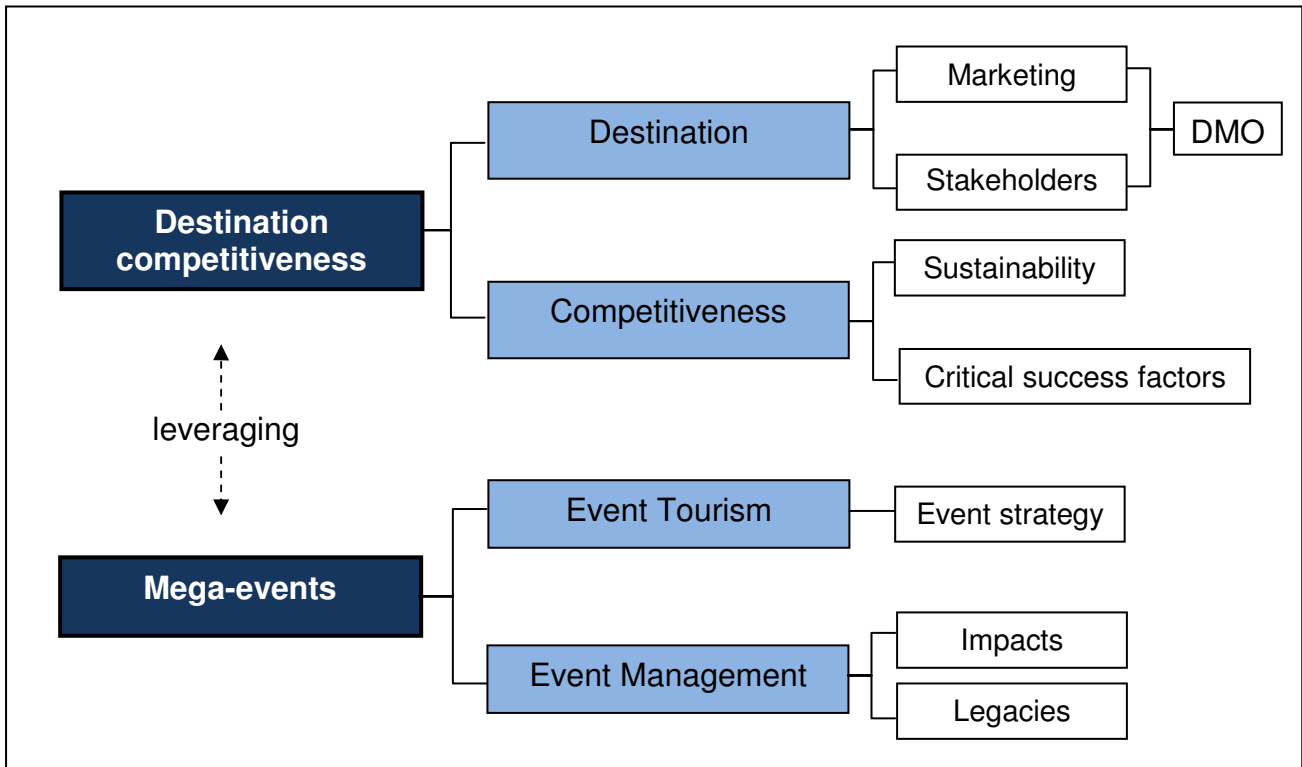
The combination of primary and secondary data was needed in order to collect extensive data on the perceived and actual readiness of the City, as well as the expectations of stakeholders. It also allowed for thick descriptions and triangulation to ensure the validity of the study (Leedy & Ormrod, 2005:99). The quality of the secondary data was ensured by evaluating its overall and precise suitability (Saunders *et al.*, 2007:263).

Even though inductive research is less concerned with the generalisation of findings (Saunders *et al.*, 2007:120), the researcher is of the opinion that by having provided adequate context to the case study, it will allow for generalisation of the findings to other similar destinations (Leedy & Ormrod, 2005:136).

## 1.8 DEFINITION OF KEY TERMS

It is important to define and to provide an interpretation of the various key terms used in this study, as they have been used in relation to the specific research (Leedy & Ormrod, 2005:56). Figure 1 indicates the key terms and how they relate to each other within the study.

**Figure 1: Key terms underlying the research study**



Source: Researcher's own construction

**Competitiveness:** “Competitiveness means jobs, wealth, improved living conditions, and an environment in which residents can prosper.” (Ritchie & Crouch, 2003:12). It may also be defined as “... the degree to which a country can, under free and fair market conditions, produce goods and services which meet the tests of international markets, while simultaneously maintaining and expanding the real incomes of its people over the longer term ...” (Dwyer & Kim, 2003:371).

**Critical success factors:** CSFs “are the resources, skills and attributes of a destination that are essential to deliver success in the marketplace” (Lynch in Jonker, 2003). They are

critical to the attainment of the destination's vision, mission and long-term goals; can be either internal or market related; are limited areas of success that will ensure overall competitiveness; and are result areas in which success can be measured (adapted from Jonker, 2003:61).

**Destination:** "A defined geographic region which is understood by its visitors as a unique entity, with a political and legislative framework for tourism marketing and planning." (Buhalis, 2000:98). "A destination can be regarded as a combination (under the umbrella of an overall destination brand) of all products, services and ultimately experiences provided in the particular area." (Heath, 2009c). Also "a place for consumption of tourism, a complex entity, a set of symbols and images, and a community" (Marzano, 2007:19).

**Destination competitiveness:** "A destination's ability to increase tourism expenditure, to increasingly attract visitors, while providing them with satisfying, memorable experiences, and to do so in a profitable way, while enhancing the well-being of destination residents and preserving the natural capital of the destination for future generations." (Ritchie & Crouch, 2003:2).

**Destination marketing:** Destination marketing includes both marketing and management activities and is a complex and multidimensional task; requiring coordination between the public and private sector, the host community and the visitors; and can be a process of both intentional and unintentional collaboration (Heath, 2009c).

**Destination Marketing and Management Organisation (DMO):** "Destination marketing organisations (DMOs) are non-profit entities aimed at generating tourist visitation for a given area". Due to changes in the industry structure and increasing global competition, DMOs "... are increasingly referred to as 'destination marketing and management organizations' ..." (Gretzel *et al.*, 2006:119). For the purpose of this study, the abbreviation DMO will therefore stand for destination marketing and management organisation.

**Event management:** "Event management is the applied field of study and area of professional practice devoted to the design, production and management of planned events, encompassing festivals and other celebrations, entertainment, recreation, political

and state, scientific, sport and arts events, those in the domain of business and corporate affairs (including meetings, conventions, fairs and exhibitions) and those in the private domain (including rites of passage such as weddings and parties, and social events for affinity groups)." (Getz, 2008:404). The unique aspect of the event management context lays in "... assembling the tangible components that create the intangible product of an event experience." (Silvers, 2010).

**Event strategy:** A long-term plan designed to achieve a major goal of the destination through coordinated event-related actions; ultimately answering to national objectives in order to gain government support (adapted from O'Toole, 2010:39).

**Event tourism:** Event tourism is a form of special interest travel and "... is generally recognized as being inclusive of all planned events in an integrated approach to development and marketing ..." (Getz, 2008:405). It has a supply side and demand side perspective and closely links with sub-areas such as sport, cultural and business tourism. It is mostly seen as "... an application of, or specialty within national tourism offices and destination marketing/management organizations ..." (Getz, 2008:406).

**Impacts:** The direct, measurable outcomes of an event; usually measured in economic terms (Chalip, 2006:112; Jago & Dwyer, 2006; Steyn, 2007:10; Wood, 2005:38). The impacts also extend to include cultural, physical, technical and psychological impacts (Ritchie, 2000; Wood, 2005:38).

**Legacies:** "Irrespective of the time of production and space, legacy is all planned and unplanned, positive and negative, tangible and intangible structures created for and by a sport event that remain longer than the event itself." (Preuss, 2007:211). In simple terms, legacies are the long-term benefits (or losses) to be gained (or suffered) from an event and include elements before, during and after the actual event (Chalip, 2000:3).

**Leveraging:** Leverage is the implementation or employment of resources in such a way as to optimise and generate desired outcomes (taken from Chalip, 2006:112). As a verb it means "... the ability to exert power or influence on ..." (Investopedia, n.d.). As a noun it is "... a small initial investment to contribute to a very high return ..." (Investorwords, n.d.).



**Mega-event:** “Events that by way of their size or significance are those that yield extraordinarily high levels of tourism, media coverage, prestige or economic impact for the host destination.” (Damster & Tassiopoulos, 2005:12). Furthermore, “... mega events are typically global in their orientation and require a competitive bid to ‘win’ them as a one-time event for a particular place.” (Getz, 2008:408).

**Stakeholders:** “... those entities which have the highest probability of interacting with an organization or those which would have the greatest impact on, or greatest impact from, the organization's actions ...”, and this will range from entities “... which can and are making their actual stakes known (sometimes called “voice”) ...” to “... those which are or might be influenced by, or are or potentially are influencers of, some organization or another, whether or not this influence is perceived or known.” (Starik, 1994:90)

**Sustainability:** Ritchie and Crouch (2003:30) states that sustainability within a destination implies to find a “... balance among four complimentary pillars (economic, social, cultural, political) in such a way that no fatal weaknesses are evident in the system of sustainability ...” and that instability in one pillar will inevitably lead to instability in all four because of their interdependence. The sustainable competitiveness of the destination will depend on ‘the prosperity, standard of living and quality of life of its residents through the vision and goals the destination has set, either explicitly or implicitly’.

The body text of this study also contains the abbreviations as indicated in Table 1.

**Table 1: List of abbreviations**

Abbreviation	Meaning
CED	Centre for Excellence in Destinations
CoT	City of Tshwane
CSF	Critical Success Factor
DEAT	Department of Environmental Affairs and Tourism
DMO	Destination Marketing and Management Organisation
FIFA	Fédération Internationale de Football Association
GTA	Gauteng Tourism Authority
ICT	Information and Communication Technology

**Table 2: List of abbreviations (continued)**

<b>Abbreviation</b>	<b>Meaning</b>
IOC	International Olympic Committee
LOC	Local Organising Committee
MICE	Meetings, Incentives, Conferences and Exhibitions
NDT	National Department of Tourism
ROMI	Return on Marketing Investment
RTO	Regional Tourism Organisation
SAT	South African Tourism
SMME	Small, micro and medium enterprises
T&T	Travel and Tourism
TBU	Tourism Business Unit
TEP	Tourism Enterprise Program
TTAT	Tshwane Tourism Action Team
UNEP	United Nations Environment Program
UNWTO	United Nations World Tourism Organisation
VIC	Visitor Information Centre
WEF	World Economic Forum
WTTC	World Travel and Tourism Council

## **1.9 ORGANISATION OF CHAPTERS**

Figure 2 (pg.36) indicates the layout, as well as the focus areas of the respective chapters. The study starts with the literature review (Chapters 2 and 3) that provides an overview of academic work available from two fields of study: tourism management and event management. Within these study fields, the focus is narrowed down to destination marketing and management on the one hand, and event tourism on the other. Once the essence of these two fields have been established, the focus turns toward bringing these two study fields together in order to determine how and where mega-events could feature as prominent tools within the popular models of destination competitiveness. This strategic approach toward event leveraging necessitates careful selection of appropriate material from two well-researched study fields, in order to capture the essence and ensure clarity on the focus of this study. Both of these chapters will produce a set of apparent CSFs for leveraging mega-events from a destination perspective. Chapter 4 will

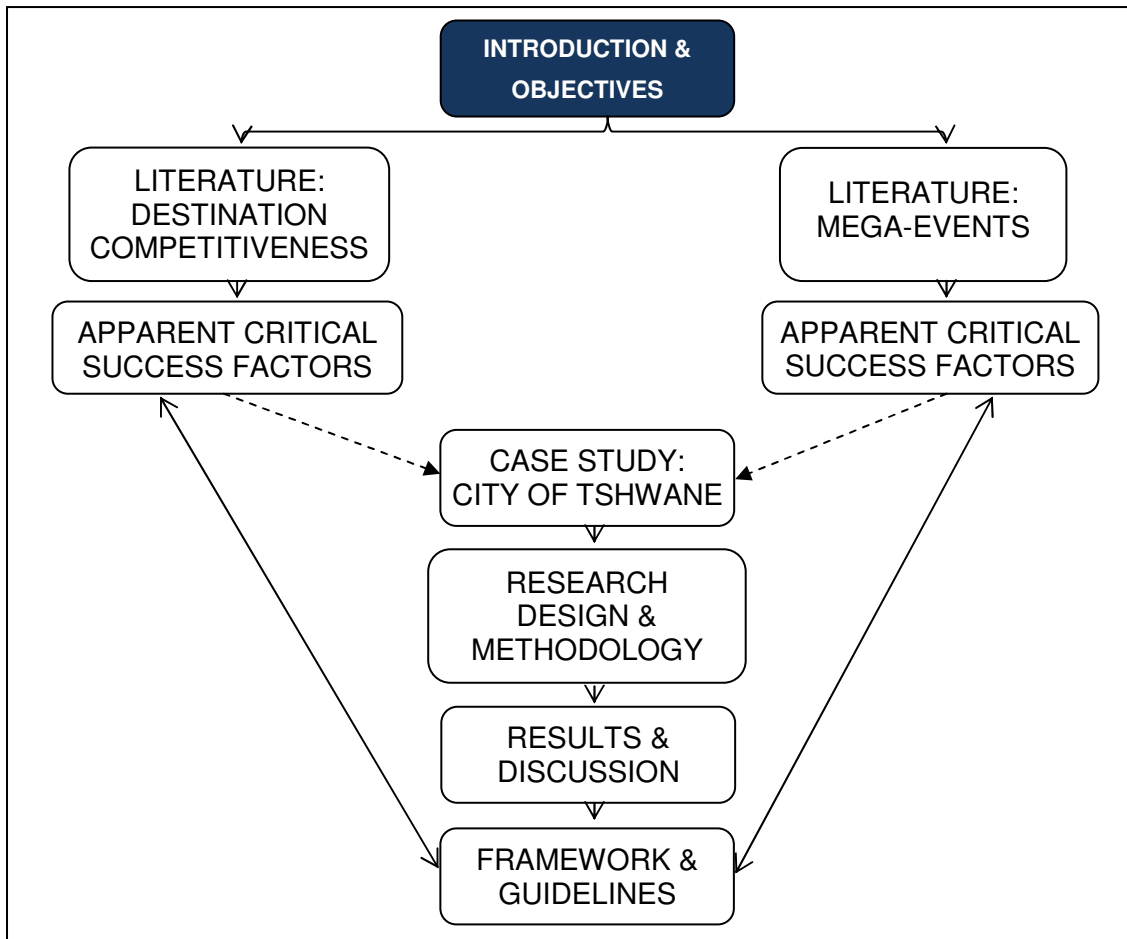
provide an introduction to the case study, the City of Tshwane in Gauteng, South Africa, as one of the host cities of the 2010 FIFA World Cup™. Chapter 5 provides a detailed discussion of the methodology that was used to conduct the case study, followed by Chapter 6 where the findings of the study will be discussed. This chapter will contain data from two data sets – the primary data collected through interviews and photos, as well as the secondary data collected through various strategic documents. Chapter 7 will conclude with a final set of CSFs, as well as a proposed framework whereby these factors can be applied within a model of tourism destination competitiveness.

**Figure 2: Organisation of chapters**

CHAPTER 1: General orientation	Research problem and objectives Delimitations and assumptions Definition of key terms
CHAPTER 2: Literature review – Destination competitiveness	Competitiveness in the tourism context Role of destination stakeholders Models of destination competitiveness Mega-events within the models Apparent critical success factors
CHAPTER 3: Literature review – Mega-events	Understanding event tourism Importance of hosting mega-events Mega-events and destination marketing Lessons from mega-event case studies Apparent critical success factors
CHAPTER 4: Introduction to the City of Tshwane	South Africa as host country Tshwane as tourism destination Tshwane as host city
CHAPTER 5: Research design and methodology	Broad research design Data collection and analysis Quality and rigour of the study Research ethics
CHAPTER 6: Research results and discussion	Current competitiveness of Tshwane Tshwane as a host city Aspects unique to mega-events Ensuring positive event legacy
CHAPTER 7: Framework and guidelines	Critical success factors Linking the CSFs into a model Proposed framework and guidelines Recommendation for future research

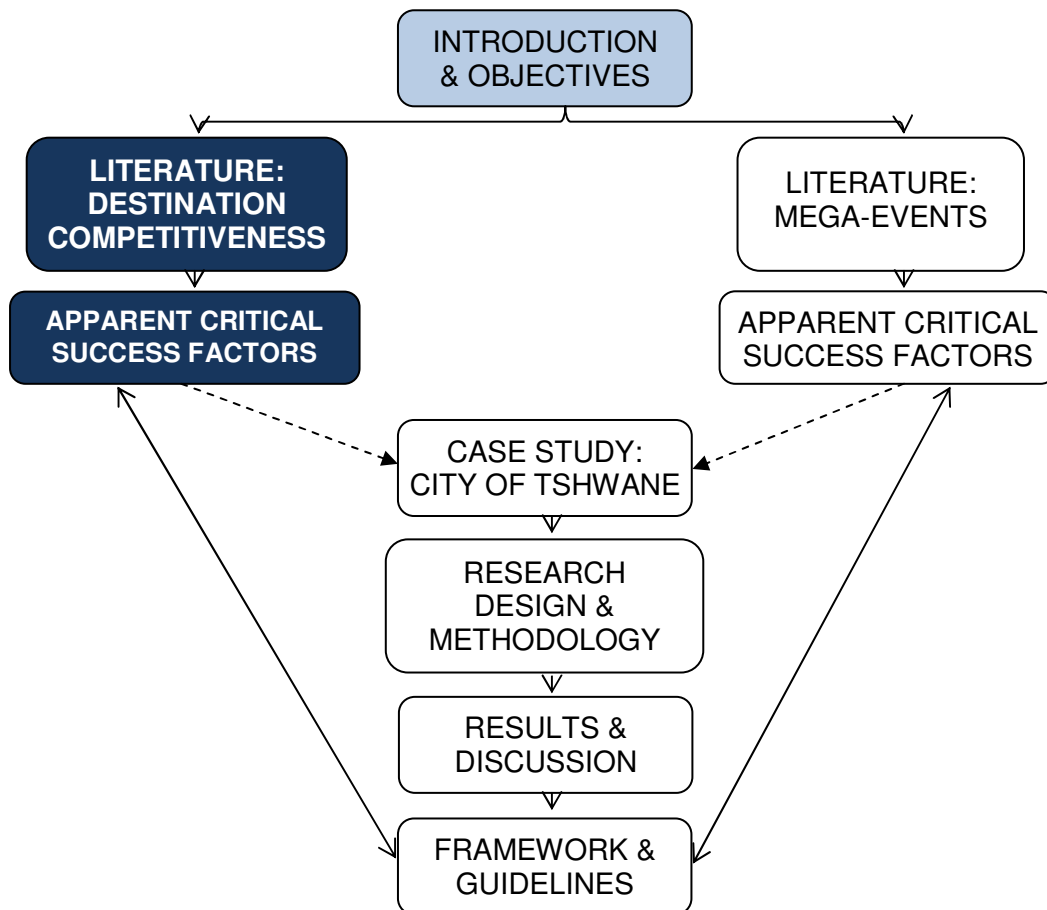
To navigate readers through the research paper, the chapter framework (Figure 3) will be displayed at the start of each chapter. It will indicate the relevant chapter, as well as the chapters already completed and still to be completed.

**Figure 3: Chapter framework**



## CHAPTER 2: OVERVIEW OF AND APPROACHES TO TOURISM DESTINATION COMPETITIVENESS

The aim of this chapter is to introduce the first study field presented in the research, namely tourism destination competitiveness. An extensive amount of literature exists within this field, encompassing a wide variety of approaches to the topic. For the purpose of the current study, focus will be on the most popular and recent work, in order to form an understanding of the current approaches to measuring and managing destination competitiveness. In the last part of the chapter, focus will divert to mega-events as a possible key element within the models of destination competitiveness.



## 2.1 INTRODUCTION

As stated in the introduction to this study, competitiveness is a widely applied concept that has received increasing attention from researchers since the late 1990's. Even though the majority of this research has been undertaken from the perspective of the manufacturing/trade sector, it was found that, in general, there is nothing in the theory that would differ fundamentally when applied to the services sector (Ritchie & Crouch, 2003:19). Dwyer and Kim (2003:370) also state that "... the notion of destination competitiveness should be consistent with the notion of competitiveness in the international economics and international business literature ...". It is therefore appropriate for this study to begin this section on the theory of tourism destination competitiveness by briefly referring to competitiveness from a general industry perspective.

## 2.2 COMPETITIVENESS AS A FIELD OF STUDY

Competition is a concept that has been given recognition and that has captured the interest of researchers and economists from as early as 1776 when Adam Smith wrote *An inquiry into the Nature and Causes of the Wealth of Nations* (Ritchie & Crouch 2003:11). Since then, different approaches to the topic have been introduced by various authors (as discussed in Ritchie & Crouch 2003:12-14).

As one of the leaders in this field, Porter (1990) introduced the famous 'Five Forces Model' wherein he promulgates the industry's attractiveness and individual firms' power in relation to buyers, suppliers, potential entrants and competitors as the main determinants of competitiveness and profitability.

Ritchie and Crouch (2003:14-18) presents competitiveness for the manufacturing/trade sector in a framework (see Table 2, pg.40) that includes, among others, the work of Porter mentioned above, as well as the criteria used by the World Trade Organisation in the annual *World Competitiveness Yearbook*. The framework consists of the structure (the driving forces of competition), the territory (that which if being fought over), the stakes (the rewards associated with each territory being fought over) and the tools (the elements that enable a company or nation to compete, or its 'competitive capabilities').

**Table 2: Elements and levels of competition**

Element of competition	Level of competition		
	Companies	National industries	National economies
The structure	Industry competitors Substitutes Potential entrants Suppliers Buyers	Factor conditions Demand conditions Related and supporting industries Firm strategy, structure and rivalry Chance Government	Science and technology People Government Management Infrastructure Finance Internationalization Domestic economic strength
The territory	Target markets	Resources Global markets	Jobs Foreign investment Trade
The stakes	Market share Profitability Survival	Favourable public policies Respect Industrial strength, growth and prosperity International dominance	Economic prosperity Quality of life
The tools	Goods and services Corporate strategy Market research Competitor analysis	Political lobbyists Industry associations Strategic alliances Marketing authorities Industrial policy Cartels Joint promotions	International trade policies and free trade agreements Innovation and entrepreneurship Education and training Productivity improvement Investment Economic policy National culture

Source: Ritchie and Crouch (2003:15)

Many of the aspects included in this framework apply to the tourism industry, especially at a company (tourism business unit) level. Even though it offers a simplistic view of the levels of competitiveness from a general industry perspective, it can be applied to tourism. Ritchie and Crouch (2003) has effectively incorporated this framework into their model of destination competitiveness (which will be discussed in section 2.5).

Dwyer and Kim (2003) also conducted a study of the literature on competitiveness before working on their own model for tourism competitiveness. Table 3 (pg.41) summarises their major findings.

**Table 3: Theory on competitiveness**

Three groups of thought regarding competitiveness	<ul style="list-style-type: none"> <li>(i) comparative advantage and/or price competitiveness as emphasised by economists;</li> <li>(ii) a strategy and management perspective focusing on firm-specific characteristics; and</li> <li>(iii) a historical and socio-cultural perspective as emphasised by sociologists and political theorists</li> </ul>
Micro and macro perspective	<p>Macro: competitiveness is a national priority that focuses on improving the income of the community; encompassing all social, cultural and economic variables that may affect international performance.</p> <p>Micro: firm-specific behaviour determines competitiveness and includes:</p> <ul style="list-style-type: none"> <li>- enhancing the individual firm's power in relation to the market forces of competition</li> <li>- a resource-based approach focusing on the acquisition and maintenance of distinctive capabilities and competencies</li> <li>- having core competencies that can not be imitated by others and for which clients are willing to pay</li> <li>- 'the ability to stay in business and to protect the organisation's investments, to earn a return on those investments and to ensure jobs for the future' (2003:372)</li> </ul>
Competitiveness is	<ul style="list-style-type: none"> <li>- both a relative concept and multi-dimensional</li> <li>- centred around human development and quality of life</li> <li>- different for each economy according to its level of development</li> <li>- growth and value for shareholders on a company level</li> <li>- jobs and improved living conditions on a societal level</li> <li>- "...not an end but a means to an end; its ultimate goal is to increase the standard of living of a nation under free and fair market conditions (through trade, production and investment)" (Cho, 1998 in Kim &amp; Dwyer, 2003:372)</li> </ul>

Source: Taken from Dwyer and Kim (2003:370–375)

Dwyer and Kim (2003) appear to focus strongly on the distinction between the individual firm and the industry or nation at large. They also place emphasis on the establishment of meaningful core competencies. It appears as if they focus more on the social aspects of competitiveness and duly agree with the statement that competitiveness should ultimately only be pursued in a free market in order to improve the quality of live of a nation's people.

In the process of building theory around the competitiveness of the services industry, the need for the development of a model that could specifically be applied to specialist sub-categories of international trade such as tourism, was identified (Ritchie & Crouch, 2003:19). New academic fields (such as destination competitiveness) usually arise from professional practice (such as tourism management); and academics that teach, do research and publish within an emerging field, have to produce work that evolve from purely applied to something more theoretical and academically credible (Getz, 2008:405).



Before looking at the definitions and elements of destination competitiveness (sections 2.4 and 2.5), it is therefore important to understand how it has evolved as an academic topic, as well as how it has been applied by practitioners.

## **2.3 GAINING IMPORTANCE WITHIN A TOURISM CONTEXT**

The next section will describe how, not only academics, but also practitioners followed suite and have contributed to formalising and structuring the concept of tourism destination competitiveness.

### **2.3.1 The growth of destination competitiveness as an academic study field**

The debate around tourism destination competitiveness appears to have gained momentum during the 1990s, at which stage the pioneering work of Ritchie and Crouch (2000:6) started (to be discussed in the next section). Poon (1993:29), among others, took part in these early debates and stated that tourism destinations should have a greater strategic orientation in order to adapt to the changing face of the 'new' tourism industry. She also stated that destinations had to make tourism a priority sector; that the concerns of the environment should be put first; and that a greater effort should be put into strengthening distribution channels and building a dynamic private sector (1993:24).

It was found that the frameworks of 'competitiveness' presented in the wider management literature on competitiveness, did not address the unique considerations relevant to 'destination competitiveness' (Dwyer & Kim, 2003:407). After confirming that competitiveness was a matter of increasing importance for tourism destinations and that a more integrated approach was required when dealing with this matter, several researchers undertook the task of creating comprehensive frameworks or models for destination competitiveness (to be presented in section 2.5.4).

By the end of the 1990s, two international journals had devoted entire issues to this theme, namely "... the journal *Tourism* in a special issue, *Competitiveness in Tourism and Hospitality* (Volume 47 (4), 1999) ..." and "... the journal *Tourism Management* in its special

issue *The Competitive Destination* (Volume 21 (1), February 2000) ..." (Dwyer & Kim, 2003:374).

It is apparent that competitiveness is a well established topic within tourism research. Great progress has been made in terms of motivating, defining and measuring competitiveness of tourism destinations<sup>1</sup> (to be discussed in sections 2.4 and 2.5). The topic has not only received interest from academics, but practitioners have also been giving considerable consideration to the manner in which tourism industry competitiveness can be promoted and managed. The next section will provide an overview of the notable international efforts to promote the concept of destination competitiveness.

### **2.3.2 Competitiveness as a key consideration amongst industry practitioners**

A few internationally recognised bodies have done extensive work to determine competitiveness through measurable terms. These efforts range from indexes that rank countries in terms of their global levels of competitiveness relating to various themes, to committees that focus on assisting countries in determining and managing their national competitiveness. Many of these efforts are interesting, but do not relate directly to tourism and will therefore not be discussed and compared within the scope of this study. A brief overview is now be provided of some of the programs and indexes that focus specifically or directly relate to countries as tourism destinations.

#### ***2.3.2.1 The UNWTO's Quality Support and Trade Committee***

Significant attention has been given to the concept of tourism competitiveness by the United Nations World Tourism Organisation (UNWTO). The world's governing body on tourism promulgates the concept that destination competitiveness is intrinsically linked to quality; stating that "the capacity to compete depends on the investments made to create an attractive and safe product; enhance its quality; and provide for a friendly and encouraging competition environment." (UNWTO, n.d.a). The technical body of the UNWTO's Quality Support and Trade Committee offers destinations training and support

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<sup>1</sup> Refer to Crouch (2007:2-4), Enright & Newton (2004), Mazanec, *et al.* (2007:87-88) and Seymour (2009:15-19) for detailed descriptions on the progression of destination competitiveness as study field.

in setting up destination quality management systems (De Bruyn, 2005a). The committee also explain how a destination's competitiveness can be increased by communicating the concept of quality through their marketing (De Bruyn, 2005b). This whole aspect of destination quality brings the focus back to the efforts and practices of the individual business units (TBUs). These units have to have the necessary motivation and commitment to strive toward the delivery of high quality products and services. In turn, the TBUs cannot obtain optimal quality levels if there is no support and structures from a greater overarching DMO level.

### **2.3.2.2 The World Centre of Excellence in Destinations**

The World Centre of Excellence for Destinations (CED, 2010a) was established in 2006 as a non-profit organisation based in Montréal (Canada). It works in partnership with the UNWTO to create strategies and disseminate "know-how and good practices which help tourist destinations reach excellence". The Centre has developed a *System of Measures for Excellence in Destinations* (SMED), which evaluates destinations and provides a complete and accurate portrait of a destination at a given point in time. It focuses on short-term and long-term goals of sustainable tourism, and provides "concrete and feasible recommendations for strategic interventions and continuous improvement" (CED, 2010d:2). Evaluations are conducted by experts, involving a series of steps over an average period of five months. By establishing a profile of the destination, appropriate indicators are selected to measure excellence in that specific destination. The DMO will then invite stakeholders and local experts to complete a customised questionnaire for the destination. The data obtained in the questionnaire is used by an SMED expert to perform an on-site visit, in order to validate the information collected in the questionnaire and to collect any missing data through consultation workshops and interviews with local experts. The DMO is provided with a report that indicates "... the destination's current opportunities and challenges, a qualitative analysis per field and category, comparative studies of other similar destinations, as well as general recommendations ...". Destinations that take part in this process become part of a worldwide destination database, and they benefit from ongoing follow-up and additional information obtained by the CED over time (CED, 2010c). It serves as a tool to perform several tasks including, diagnostics of resources; monitoring progress made; managing and mobilising destination stakeholders; collaborating on the

destination's unique characteristics and use this to brand and position the destination; undertaking a competitive analysis and benchmarking; and facilitating strategically aligned communication within the destination (CED, 2010b). Although it is probably not possible for all destinations to undergo such a process, the process itself highlights certain practices that are key to competitiveness. It may be valuable for a destination to create similar processes (for example, an audit of destination resources) within its own capacity.

### ***2.3.2.3 The Travel and Tourism Competitiveness Index***

The Travel and Tourism Competitiveness Index is a multi-year research project of the World Economic Forum (WEF) "... aimed at exploring various issues related to the Travel and Tourism (T&T) competitiveness of nations around the world ..." (Blanke & Chiesa, 2009). The index is based on three broad categories of variables that have been identified as the major driving forces behind travel and tourism competitiveness. They include (1) T&T regulatory framework; (2) T&T business environment and infrastructure; and (3) T&T human, cultural, and natural resources. These categories or sub-indexes are in turn comprised of 14 'pillars' (key components) of T&T competitiveness, which include:

- Policy rules and regulations;
- Environmental sustainability;
- Safety and security;
- Health and hygiene; Prioritization of Travel & Tourism;
- Air transport infrastructure;
- Ground transport infrastructure;
- Tourism infrastructure;
- ICT infrastructure;
- Price competitiveness in the T&T industry;
- Human resources;
- Affinity for Travel & Tourism;
- Natural resources; and
- Cultural resources.

For the purpose of measurement, these pillars are again divided into various individual variables.

The index is presented in the form of a report, which includes written contributions by industry experts on related issues. Interesting to note are some of the comments made by contributors in the 2009 report, which focused on competitiveness in times of global economic difficulty (Blanke & Chiesa, 2009:xxiii). Ringbeck, Gautam and Pietsch (in Blanke & Chiesa, 2009:xxiii) explain how events in the macro environment (in this case high oil prices) could bring about dramatic changes in the structure of the global tourism industry, which in turn will have a great impact on the competitiveness of individual destinations. It is stated that countries have to adopt strategies to cope “in a world of fundamental change”. Girgis and Ibrahim (in Blanke & Chiesa, 2009:xxiii) suggest that public-private sector dialogue and partnerships are crucial to remain competitive in challenging times. Kyriakidis, Hancock, Oaten and Bashir (in Blanke & Chiesa, 2009:xxiv) explain how a change in strategic focus can ensure competitiveness in difficult times. They suggest that strategies should be longer-term, supply-oriented and should focus on long-term value. Furthermore they state that ‘visitor economies’ (industry directly and indirectly related to tourism) have to be adaptable, develop “deeper domestic tourism supply chains”, invest in “higher-value ‘quality and skills’”, and focus on “building diversity into the destination”.

#### **2.3.2.4 The Competitiveness Monitor**

The Competitiveness Monitor is developed by the World Travel and Tourism Council (WTTC) (Ibrahim, 2004). This index measures destinations’ competitiveness based on price, economic and social impact, human resources, infrastructure, environment, technology, openness, and social development. The WTTC undertakes an extensive data collection effort<sup>2</sup> and makes the database available in the public domain.

After discussing both these indexes, it can be stated that destinations have to take the generally accepted variables of destination competitiveness into consideration when formulating its own strengths and weaknesses. Indexes such as the Travel and Tourism Competitiveness Index and The Competitiveness Monitor can provide valuable insight in this regard. Furthermore, there will always be other externalities, mostly from the macro

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<sup>2</sup> The usefulness and credibility of this monitor is discussed by Mazanec *et al.* (2007), as well as Gooroochurn and Sugiyarto (2005).

environment, that has to be taken into consideration to make relevant and timely matches between the destination's capabilities and real-time opportunities and threats.

The last two indexes are not specifically focused on the tourism industry, but could carry out a strong message about a destination into the global marketplace.

### **2.3.2.5 The Anholt-GfK Roper Brand Indexes**

In 1996, Simon Anholt coined the term 'nation branding' and in 2005 he developed the Anholt Nation Brands Index as a way to measure the image and reputation of the world's nations (GfK, n.d.a)<sup>3</sup>. Anholt describes the Nation Brand Index as "... a report card for countries, measuring the world's perception of each nation as if it were a public brand." Significantly, he states that *"Much as a commercial brand relies on a favorable public opinion to sell products, countries depend on their reputation and image to bring in tourists, business, investment and other facets important to a nation's financial strength and its international standing."* (Nation Branding, 2008)

A total of 50 countries were included in the 2008 Anholt-GfK Roper Nation Brands Index (GfK, n.d.a). It measures the power and quality of each country's 'brand image' by combining the following six dimensions:

- **Exports:** the public's image of products and services from each country and the extent to which consumers proactively seek or avoid products from each country-of-origin.
- **Governance:** public opinion regarding the level of national government competency and fairness and describes individuals' beliefs about each country's government, as well as its perceived commitment to global issues such as democracy, justice, poverty and the environment.
- **Culture and Heritage:** global perceptions of each nation's heritage and appreciation for its contemporary culture, including film, music, art, sport and literature.
- **People:** the population's reputation for competence, education, openness and friendliness and other qualities, as well as perceived levels of potential hostility and discrimination.

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<sup>3</sup> In 2008 he partnered with GfK Roper Public Affairs and Media, explaining the extended name.

- **Tourism:** the level of interest in visiting a country and the draw of natural and man-made tourist attractions.
- **Investment and Immigration:** the power to attract people to live, work or study in a country and reveals how people perceive a country's economic and social situation

Simon Anholt has also developed the Anholt-GfK Roper City Brands Index. It is stated that “In today's globalised world, every city must compete with every other city for its share of the world's tourists, investors, talent, cultural exchange, business visitors, events and media profile.” (Anholt, 2009). This index measures perceptions of cities among nationals of both developed and developing countries by combining the following six dimensions (GfK, n.d.b):

- **Presence:** the city's international status and standing and the global familiarity/knowledge of the city. It also includes the city's global contribution in science, culture and governance.
- **Place:** people's perceptions about the physical aspect of each city in terms of pleasantness of climate, cleanliness of environment and how attractive its buildings and parks are.
- **Pre-requisites:** determines how people perceive the basic qualities of the city; whether they are satisfactory, affordable and accommodating, as well as the standard of public amenities such as schools, hospitals, transportation and sports facilities.
- **People:** whether the inhabitants of the city are perceived as warm and welcoming, whether respondents think it would be easy for them to find and fit into a community that shares their language and culture and whether they would feel safe.
- **Pulse:** the perception that there are interesting things to fill free time with and how exciting the city is perceived to be in regard to new things to discover.
- **Potential:** the perception of economic and educational opportunities within the city, such as how easy it might be to find a job, whether it's a good place to do business or pursue a higher education.

These two indexes, although not broadly popularised yet (with only 50 countries included), provides extensive information on the perceptions of people regarding countries. It focuses attention on the fact that no destination can ignore the power of destination image, and



that no competitiveness strategy can exist without taking the perceptions of people (tourists) into consideration. This aspect will be discussed at a later stage in this study.

### **2.3.2.6 The Climate Competitiveness Index**

The Climate Competitiveness Index (CCI) was launched in partnership with the United Nations Environment Programme (UNEP) at the *Business for Environment Global Summit* in Seoul, South Korea in 2010. According to the Index, climate competitiveness “is the ability of an economy to create enduring economic value through low carbon technology, products and services” (Lee, MacGillivray, Begley & Zayakova, 2010:4). It identifies good practices in countries around the world and “combines two sets of data on climate accountability (the climate strategy is clear, ambitious, and supported by all stakeholders) and climate performance (the country has the track record and capabilities to deliver the strategy)” (AccountAbility, 2010). In a study conducted by Otto and Heath (2009:172-174), it was stated that the study of the relationship between the tourism industry and climate change, has only recently (early 2000) gained momentum. Otto and Heath’s study found a general unawareness among tourism industry stakeholders of the potential contribution of their operations to climate change (2009:188). When considering that the issue of climate change has received enough attention to justify a related competitiveness index, Otto and Heath’s (2009:189) suggestion of an umbrella climate policy may become non-negotiable to ensure sustainable destination competitiveness.

It is clear that international competitiveness is no longer only an academic topic of discussion. It has become a core focus for destination managers and marketers, as several internationally recognised platforms are now able to make public (global) statements about their competitiveness. However, producers and users of such messages have to take into consideration the fact that tourism destinations are some of the most difficult entities to manage (Heath, 2009c:3). It is therefore necessary to look at some of the complexities involved when aiming to measure the competitiveness of tourism destination.



### **2.3.3 Considerations when measuring the competitiveness of tourism destinations**

As indicated before, the theory on competitiveness for manufacturing/trade can in principle be applied to services. There are however a few issues that need to be considered regarding the nature of the service sector. The unique character of the tourism industry furthermore poses additional challenges when it comes to measuring competitiveness.

#### ***2.3.3.1 The nature of tourism destinations***

Before looking at the various perspectives on destination competitiveness, the unique characteristics of destinations should be considered. As discussed in Buhalis (1999:98), destinations are some of the most difficult entities to manage; posing many challenges to managers and marketers. They are regarded as single geographic entities, but consist of an amalgam of elements that culminate in the overall destination experience, including tourism product and services, the local people and their culture, non-tourism industries, governing structures, and many other elements that are not directly part of the tourism economy (Buhalis, 2000:97-98).

Heath (2009c:3-4) offers a summary of destination characteristics and indicates a number of contrasting aspects. Firstly, destinations are physical entities with a geographical location, but also consist of a large intangible socio-cultural entity. Secondly, destinations do not only exist in real terms, but to a great extent also exist as a perception in the minds of current and potential tourists. Thirdly, they are affected by current as well as past events, whether these may be real or merely fictitious occurrences. Lastly, individual destinations often expand beyond a single space to include several destinations and locations, but are still regarded as conceptual entities (Buhalis, 2000:97).

#### ***2.3.3.2 The unique characteristics of tourism services***

Services differ from goods in the sense that they are intangible, highly perishable, inseparable (require the presence of the customer) and cannot be standardised (Francis,

2003:114). These characteristics require a different perspective on many measures of competitiveness, such as market share and growth, turnover and quality.

Service industries have three modes of operating internationally: (i) the customer travels to the service; (ii) the service establishes operations in foreign countries; (iii) the service is provided remotely using information technology (adapted from Ritchie & Crouch, 2003:19). These characteristics of service operations already make distribution more complex than would be the case for consumer goods. When considering the nature of products and services that form part of the tourism industry (for example transportation, hospitality, attractions, travel intermediaries), service delivery becomes even more challenging. Only a few of these products or services would by definition fall within more than one of the three categories above, should such a company decide to enter the international arena; thus limiting the extent to which the competitiveness of tourism services can be measured along the lines of other service sectors.

### ***2.3.3.3 Competitiveness can be viewed from a macro or micro perspective***

As indicated by Dwyer and Kim and presented in Table 3 (pg.41), competitiveness can be viewed from a macro and a micro perspective, and that individual firms and nations face different challenges and opportunities (2003:372). Consider, however, the following statement by Hassan: “Due to the multiplicity of industries that need to be involved in making destinations become competitive, it is essential to look beyond rivalry among firms.” (2000:239). It can therefore be deduced that destination competitiveness will rather be focused on a macro perspective as this will allow the inclusion of the multitude of elements that constitute a destination.

### ***2.3.3.4 The distinction between comparative and competitive advantage***

It is important to make the distinction between these two concepts, as both present a different aspect of achieving overall destination competitiveness (Table 4, pg.52). Comparative advantage is in essence concerned with the differences between destinations in terms of their possession of resources or the factors of production. The way in which a destination has more or less of one of the other resource/s, is referred to as

*factor proportions*. Competitive advantage on the other hand is the destination’s ability to effectively (where and how) use or deploy these resources (Ritchie & Crouch, 2003:20-23).

These two aspects do not exist in isolation, but have to be equally considered when exploring the topic of competitiveness (Heath, 2002:335). Both these aspects are managed by destinations in an effort to counter factor proportions that present weaknesses and to capitalise on available strengths. A destination will, in an effort to “... apply its comparative and competitive advantages ... look for a match between its competitive strengths and weaknesses, and the opportunities and threats present ... in the global tourism market ...’ (Ritchie & Crouch, 2003:27).

**Table 4: Elements of comparative and competitive advantage**

Comparative advantage (availability of resources)		Competitive advantage (deployment of resources)	
Human resources	} Natural / inherited	} Renewable	<u>Modes of deployment</u>
Physical resources			- Locus of control
Knowledge resources	} or	} or	- Actions of industry associations
Capital resources			- Collective action of individual TBUs
Infrastructure and tourism superstructure	} Created / man-made	} Non- renewable	- Support of special interest groups
Historical and cultural resources			<u>Elements of deployment</u>
Size of economy			- Audit/inventory
			- Maintenance
			- Growth and development
			- Efficiency
			- Effectiveness

Source: Adapted from Ritchie and Crouch (2003:20-24)

### **2.3.3.5 Competitiveness is more than competitive positioning**

In addition to the various considerations mentioned above, it is also important to note that competitiveness is not the same as competitive positioning. Positioning forms part of a destination’s strategy development and can be described as “... the ability to develop and communicate meaningful differences between the offerings of the particular destination and its tourism business units, and those of competitors serving the same target market(s) ...’ (Heath, 2009c:27). It is thus focused on creating a desired perception or image in the minds of certain tourist markets. A destination can, through the utilisation of positioning tactics, promote an image of being better than competing destinations (competitiveness), e

specially with regards to specific product offerings or types of resources. This does however not mean or guarantee that the destination in its totality meets the requirements of a sustainable, successful and competitive destination, as this entails much more than mere perceptive judgement of potential and existing tourists.

After describing how destination competitiveness has grown as an academic topic and how it has become an important topic on international platforms, it is necessary to turn the attention to exactly what the concept entails. However, from the discussions it becomes evident that destination competitiveness is not a simplistic concept and that formulating a single, encompassing definition of destination competitiveness will be an extensive task. The next section will explore the various definitions of tourism destination competitiveness, and will also look at some of the concepts and practices that are closely related to it.

## **2.4 DEFINING TOURISM DESTINATION COMPETITIVENESS**

Within an academic field it is important to establish a description of the meaning of key terms that are used as part of the 'jargon' of that field. As is the case in many subject areas however, there is no singular accepted definition of destination competitiveness. This is because researchers provide definitions in operational terms – explaining how the term has been used in relation to their specific study (Leedy & Ormrod, 2005:56). Similarly it is necessary to define how the term has been used within the context of the current study's research problem.

### **2.4.1 Formulating a definition of destination competitiveness**

A number of authors have attempted to formulate an inclusive and comprehensive definition of destination competitiveness. Table 5 (pg.54) provides a summary of various such definitions that were found and that were most frequently adopted in the literature.

For the purpose of the current study, the definition of destination competitiveness, as proposed by Ritchie and Crouch, has been adopted. This coincides with the fact that their model for destination competitiveness has also been applied in the empirical component (Chapter 6) and proposed framework (Chapter 7).

## 2.4.2 Concepts and practices related to destination competitiveness

A few concepts and practices were found in the literature that appear to be closely related to and that are often found alongside discussions on competitiveness. These aspects serve as tools and means to achieve competitiveness within a well-structured and planned tourism destination. They are closely linked to competitiveness in the sense that they are often regarded as the main avenues through which to achieve competitive superiority. A short overview of these aspects will now be given (detailed discussions were not regarded as falling within the scope of the study).

**Table 5: Definitions of destination competitiveness**

Author/s	Definition
Ritchie & Crouch (2003:2)	“A destination’s ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying, memorable experiences, and to do so in a profitable way, while enhancing the well-being of destination residents and preserving the natural capital of the destination for future generations.”
Hassan (2000:240)	“A destination’s ability to create and integrate value-added products that sustain its resources while maintaining market position relative to competitors.”
Dwyer & Kim (2003:374)	“Destination competitiveness would appear to be linked to the ability of a destination to deliver goods and services that perform better than other destinations on those aspects of the tourism experience considered to be important by tourists.”
D’Hautesserre (2000:23)	“The ability of a destination to maintain its market position and share and/or to improve upon them through time.”
Dwyer, Forsyth and Rao (2000:9)	“Tourism competitiveness is a general concept that encompasses price differentials coupled with exchange rate movements, productivity levels of various components of the tourist industry and qualitative factors affecting the attractiveness or otherwise of a destination.”
Department of Industry, Science and Resources (in Du Rand, 2006:54)	“Destination is linked backwards to the various determinants of competitiveness and forwards to regional/national prosperity, indicating that destination competitiveness is itself an intermediate goal toward a more fundamental aim of economic well-being for residents.”

Source: Researcher’s own construction

### 2.4.2.1 *Destination Management and Marketing*

Destination management is “... the coordinated management and strategic linking of a

destination's elements, namely its attractions, amenities, access, marketing and pricing ...” (UNWTO in Seymour, 2009:19). Planning and policy formulation and implementation provide the basis of destination management (Ritchie & Crouch, 2003) and this is largely the responsibility of the various DMOs within a destination (Seymour, 2009:2).

Tourism marketing is one of the most researched and published topics of all business studies with a tourism orientation (Li & Petrick, 2008:235). The marketing of destinations has taken on the same dramatic changes as for consumer goods and the most important paradigm shifts in marketing indicate the direction of future management of a destination, as well as tourism products and services. It appears as if the tourism industry, due to the nature of tourism operations, has an advantage in adopting the new practices of a relationship orientation, network marketing and the service-dominant logic (Li & Petrick, 2008:239).

Buhalis provided a strategic outlook on marketing within the tourism industry. He stated that “... tourism marketing should not only be regarded as a tool for attracting more visitors to a region ... [but] ... should operate as a mechanism to facilitate regional development objectives ... to rationalise the provision of tourism in order to ensure that the strategic objectives of the destinations are achieved ... [should] ensure equitable returns-on-resources-utilised ... Hence, marketing should be used as a strategic mechanism in co-ordination with planning and management, rather than a sales tool ...” (2000:100).

Seymour (2009:19) stated that marketing supports the various elements within a destination by attracting tourists and by ensuring service delivery at ‘touch-point’ level in order to ensure that visitors’ expectations are met. He highlighted the broader functions of destination marketing as discussed by Ritchie & Crouch (in Seymour, 2009:19), namely to ensure innovative product development and packaging that meet new tourist demands; to organise and coordinate tourism in the destination; to improve the overall service experience of tourists; the gathering and dissemination of information and research; to educate tourism providers; to act as resource stewards; and to have contingency plans in plans for crisis management. From the description of these functions, it becomes clear that destination marketing and destination management are not two separate functions, but rather that they run parallel and cannot be undertaken in isolation.

Another important aspect of destination marketing, is the need for collaborative marketing (Wang & Fesenmaier, 2007). This network approach is brought on by the fragmented nature of the tourism industry and the various roleplayers involved in a destination. Tourism organisations at various levels can contribute to the marketing of a destination and it is therefore necessary to coordinate the marketing through one entity such as a DMO or a convention and visitor bureau (Wang & Fesenmaier, 2007:863). More will be said about this task of coordination in section 2.4.3.3, when the role of the DMO is discussed.

#### ***2.4.2.2 Benchmarking destination practices against industry leaders***

The concept of benchmarking is an established practice in the service industry and is defined as “... the continuous management and improvement of an organization’s performance against the best in the industry to obtain information about new working methods or practices ...” (Kozak, 2002:499). It is a tool used for quality management and requires an organisation, or destination in this case, to compare its performance against best practices and to identify any gaps in its own operations. Benchmarks are similar to performance indicators and there are a multitude of measured benchmarks that apply to individual elements of a destination (Kozak, 2002:512). They are specific and statistically measurable – making it a valuable tool to measure competitiveness, but not a perfect indication of competitiveness, which includes many intangible and qualitative aspects.

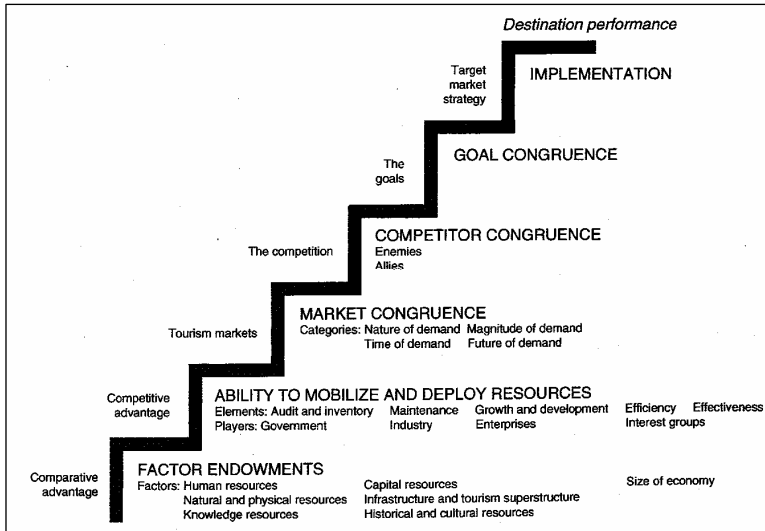
#### ***2.4.2.3 Measuring destination performance through appropriate indicators***

A destination’s performance is a set of actual (not just anticipated or hoped for) achievements that can be compared with the established goals; stemming from the comparative and competitive advantages (of the destination) and assessed over the long term. Management of a destination’s performance is a much more complicated task than for a normal company because “... a destination strives to achieve multiple goals, involves many different stakeholders, often lacks a focal organisation ... and faces a difficult task in gathering the disparate information required to assess its performance ...” (Ritchie &



Crouch, 2003:28). Figure 4 (pg.57) illustrates the linkage between destination competitiveness and performance.

**Figure 4: Destination competitiveness and performance**



Source: Ritchie and Crouch (2003:29)

Apart from the fact that performance indicators become more complex for tourism, one also has to re-evaluate the value of popular indicators within the context of broader destination competitiveness. Although indicators such as market share, market growth and contribution to gross domestic product (GDP) can offer measurements of existing performance of a destination, they cannot be regarded as sufficient determinants of future competitiveness (Hassan, 2000:239).

#### **2.4.2.4 Quality management at the core of competitiveness**

As already discussed in section 2.3.2.1, the UNWTO regards quality as being at the core of a destination's competitiveness. They define quality in tourism as "the result of a process which implies the satisfaction of all the legitimate product and service needs, requirements and expectations of the consumer, at an acceptable price, in conformity with mutually accepted contractual conditions and the underlying quality determinants such as safety and security, hygiene, accessibility, transparency, authenticity and harmony of the tourism activity concerned with its human and natural environment" (UNWTO, n.d.b).



In a similar vein, Go and Govers (2000:80) provide an operational definition of integrated quality management: "... the management process designed to enhance the quality of tourism, so as to satisfy tourists' needs and expectations, achieve a competitive tourist trade, and create and sustain liveable host communities ...". The quality of a destination's tourism product depends on the combined contributions and processes of many stakeholders (private and public) that take on a "... professional approach to do things right at all times ...". Quality cannot be attained through a single action, but requires a process that identifies and eliminates any supply constraints that will spoil the total tourism product and lead to direct and indirect losses to the destination (UNWTO, n.d.b). It is suggested that quality in a destination should be managed by a public-private sector civil society partnership that has independence from political power; with this body developing a strategic plan that includes structuring, coordinating and communicating all quality efforts within the destination (UNWTO, n.d.c).

#### ***2.4.2.5 Sustainability and competitiveness are mutually inclusive***

It can be stated that destination competitiveness and sustainability are two inseparable concepts. In order for tourism in a destination to be sustainable into the future, the destination has to be competitive. On the other hand, a destination can only be competitive if it has sustainable practices in place. Both sustainability and competitiveness require a holistic approach to the management of a destination by focusing on the entire tourism system and its linkages within a destination; and both have a long term focus. Baca (2004) states that "... the tourism industry's success heavily depends on the quality of its geographic and social setting ...", and it is therefore necessary to implement "... an integrated destination management approach [that] provides an effective framework to promote the competitiveness of the tourism industry."

Sustainable tourism per se is defined as: "Tourism which is developed and maintained in an area in such a manner and on such a scale that it remains viable over an indefinite period and does not degrade or alter the natural or socio-cultural environment in which it exists." (Queiros, 2003:74). It also "... contributes to prolonging the life expectancy of destinations and creating a unique economic opportunity for local communities ..." (Hassan, 2000:244). The United Nations World Tourism Organisation has been promoting

the use of sustainable tourism indicators since the early 1990s. They regard such indicators “... as essential instruments for policy-making, planning and management processes at destinations.” (UNWTO, 2004). According to them, sustainability issues include the wellbeing of host communities; community participation in tourism; tourist satisfaction; health and safety; capturing economic benefits from tourism; sustaining cultural and natural heritage; managing scarce natural resources; limiting impacts of tourism activity; controlling use intensity; products development and marketing; as well as sustainability of tourism operations and services. As will be seen in the models of destination competitiveness (section 2.5.2), many of these sustainability indicators are also included as indicators of competitiveness<sup>4</sup>.

The World Travel and Tourism Council (WTTC, 2009:9) also strives to collaborate with governments, businesses and non-governmental organisations to achieve shared sustainability objectives. They work around five themes namely (i) accountability and responsibility; (ii) local community growth and capacity building; (iii) educating customers and stakeholders; (iv) greening supply chains; and (v) innovation, capital investment and infrastructure. They encourage destinations to take part in initiatives such as the Global Partnership for Sustainable Tourism Criteria; the WEF’s Multi-Stakeholder Programme; and the International Tourism Partnership (WTTC, 2009:8). Another example is the Green Globe 21 certification program, which traditionally focused on performance standards for hotels and tourism businesses. During 2004, the “Green Globe 21 Community Standard” was introduced in an effort to expand certification to the environmental and social sustainability of destinations as a whole. By participating in such initiatives, a destination and its individual TBUs can actively work toward improving its environmental and social performance and so become more competitive in the global marketplace (taken from Baca, 2004).

From the above discussions it can be seen that there are several strategic thinking and planning processes that closely relate to the competitiveness of a destination. At this point it is necessary to ask who the stakeholders in a destination are, and what roles they play

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<sup>4</sup> Also refer to Ritchie and Crouch (2003:33-51) for a comprehensive discussion of the birth, evolution, definitions and components of sustainable tourism and sustainable development.

respectively in the formulation and implementation of such appropriate strategic actions. This issue will briefly be discussed within the scope of the study.

### **2.4.3 The nature and importance of destination stakeholders**

Within tourism, stakeholders are involved in the production of the travel experience. The decisions that some stakeholders take within a destination, will impact on other stakeholders and no single stakeholder can singlehandedly lead a process in a destination (Marzano, 2007:30). Hence the need to understand who the stakeholders within a destination are – especially when aiming to achieve sustainable competitiveness.

#### ***2.4.3.1 The wide spectrum of stakeholders in a destination***

As stated in Chapter 1 (definition of terms), stakeholders are entities who are most likely to interact with an organisation, or who will have the greatest impact on or be impacted by the organisation's actions; with their interests either being (made) known or not. To put this definition into perspective of the current study, the 'organisation' will be the destination. When taking the various components of a destination into consideration, it becomes a complex task to identify all the stakeholders involved. It may therefore be useful to embody the destination concept through a DMO, and then focus on the stakeholders of the DMO (as it should ultimately be representative of all the stakeholders in the destination).

In a study done by Sheehan and Ritchie (in Presenza, Sheehan & Ritchie, 2005), the most important stakeholders of a DMO (according to DMO executives) were: hotels, government (at different levels), attractions, board of directors (of the DMO), convention centre, DMO members, residents, restaurants, universities and colleges, local chamber of commerce, and sponsors. In order to get a broader view of all the possible stakeholders of the DMO (not only the most important ones), the Stakeholder Model of the Firm as presented by Donaldson and Preston (1995:69) can be used (Marzano, 2007:33). According to this model, stakeholders will include customers (tourists), employees, suppliers (tourism product owners), communities, trade associations (industry associations), investors, government and political groups. All of these groups can be

applied to the context of a DMO to determine the specific entities emerging from each respective group (as will be done later in this study).

### ***2.4.3.2 The importance of stakeholder involvement***

As already indicated, stakeholders within a destination are influenced by each others' decisions and that destination processes require the involvement of several stakeholders. In a study done by Yoon (2002), it was stated that "the support of tourism stakeholders for tourism planning and development is a key element for the successful operation, management, and long-term sustainability of tourism destinations". They contribute to destination management through their knowledge and experience of the industry, through participation in planning and development, as well as through interaction and knowledge of the local community. Stakeholders can, for example, provide valuable insight into the existing target markets of the destination. Their inputs in this regard could lead to a more effective segmentation strategy that focuses on tourists who are 'more likely' to visit the destination; leading to a more effective marketing strategy (Tkaczynski & Rundle-Thiele, 2009:398).

It was found that, if stakeholders preferred the development of certain attractions or resources, they were more likely to support the destination's competitive strategies, such as marketing and the DMO itself (Yoon, 2002). It was also found that any destination enhancement strategies would be better supported if the stakeholder/s perceived economic or cultural benefits from such development. It is thus clear that stakeholder support has to be managed effectively in order for any competitive strategies to be implemented successfully. In a study by Al-Masroori (2006), it was stated that stakeholder management provides a framework within which sustainable tourism development can be managed.

In his study on the effect of stakeholder power on destination branding, Marzano found that collaboration and the achievement of a shared outcome should never be regarded as a given (2007:vii) or intrinsic to a multi-stakeholder decision-making process, but will rather be emerging from it (2007:8). Some of the complexities involved in such a decision-making process include "... many stakeholders, different and sometimes contrasting interests,

plural and multi-level decisions, and conflicts.” (2007:8). He proposed that the ‘power’ of the respective stakeholders should be taken into consideration; with this power being the stakeholder’s actions, decisions and also ability to act (2007:6). This ability to act is based on the resources that it possesses, and if a DMO knows what resources stakeholders possess, they can determine where threats and support to their strategies (such as branding) come from (2007:9). Similar to the findings of Yoon (2002), Marzano also stated that a lack of understanding of the real interests of stakeholders, may lead to a lack of support or even antagonism (2007:10). In addition, if stakeholders’ inputs are sought too late in the time-frame of a project, this may also make stakeholders uncooperative (Kasim, Celtec & Noor, 2009:219).

### **2.4.3.3 The role of the DMO in stakeholder coordination**

As already stated, DMOs are “... non-profit entities aimed at generating tourist visitation for a given area” (Gretzel *et al.*, 2006:116). They are generally responsible for developing a unique image of the area, coordinating most private and public tourism industry constituencies, providing information to visitors, and leading the overall tourism industry at a destination.” (Gretzel *et al.*, 2006:116). They have to lead and coordinate the different aspects of a destination and must take the leading role in the marketing and development of the destination (Seymour, 2009:19). They are expected to have extensive local knowledge, expertise and resources.

Presenza *et al.* (2005) agree with these statements that the role of the DMO goes much further than marketing<sup>5</sup>. They state that DMO’s “are becoming more prominent as ‘destination developers’”. They have to initiate and facilitate activities that will lead to tourism development and “that are important to the success of tourism in a destination from a competitive and sustainable perspective.” In their study they propose a model for DMO’s that include both ‘external destination marketing’ and ‘internal destination development’.

In order for a DMO to fulfil all these duties, it has to cooperate and communicate with various stakeholder groups within the destination. Sheehan and Ritchie (2005, in

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<sup>5</sup> Also refer to section 2.4.2.1 where destination marketing and management is explained as one concept.

Presenza *et al.*, 2005) indicated that DMO's have a wide range of stakeholders that can influence its performance, and that DMO's are actually conveners that unite a diverse set of interests. It is therefore appropriate to view a DMO as the embodiment of the (more intangible) destination concept. The DMO serves as a vehicle through which the various stakeholders' interests can be coordinated (Eva & Freeman in Marzano, 2007:33). Freeman (in Marzano, 2007:33) states that firms (or in this case, a DMO) will only continue to exist and be sustainable if stakeholders can "... jointly satisfy their needs and desires by making voluntary agreements with each other".

Baca (2004) explains how the creation of voluntary multi-stakeholder management groups, have presented several benefits for a destination. Such platforms serve to "... catalyze the views and opinions of different stakeholders and articulate a destination-wide vision." They facilitate constructive discussions between stakeholder groups and they join them together toward the common goal of maximising tourism benefits. Through these platforms, various tourism and non-tourism related problems that threaten the success of the destination, can be identified.

The role of these platforms can be related to a DMO, which can also be regarded as a voluntary multi-stakeholder management entity. Presenza *et al.* (2005) stresses the importance of the DMO as the coordinator of this involvement. They state that it is "only through securing the cooperation of various stakeholders that the DMO can mobilise the resources necessary to be effective." They also directly relate the DMO's ability to facilitate destination development, with its ability to establish a great number of high quality relationships with tourism destination stakeholders.

Up until this point, the study has provided a definition of what tourism destination competitiveness is; a description of how it has been adopted by academia and practitioners; and also reference to some of the related concepts. With this broad understanding established, it is now possible to meaningfully look at specific elements of destination competitiveness, and also how overall destination competitiveness is being measured at the hand of various 'tools'.

## 2.5 A NEW APPROACH TO ENHANCE DESTINATION COMPETITIVENESS

In order for this study to meaningfully address a relevant issue within destination competitiveness, the researcher engaged in a study of the existing literature on the topic. In an effort to determine the different approaches taken to the topic, two types of competitiveness research could be identified. The related findings will now be discussed.

### 2.5.1 Enhancing and measuring tourism destination competitiveness

Table 6 provides a summary of recent articles that relate specifically to the way in which certain elements can be used to further enhance a destination's levels of competitiveness. They have been clustered according to broad themes in order to indicate current important topics within the destination competitiveness field.

**Table 6: Summary of the literature on destination competitiveness**

Element/aspect	Author/s
<b><i>Destination marketing</i></b>	
The role of <b>destination branding</b> in achieving competitiveness. The importance of seeing the as brand part of the destination's ' <b>competitive identity</b> '. Understanding how destination branding is different, but complimentary to 'place' / 'nation' branding (Handbook on Tourism Destination Branding, 2009:xxiv).	lordache, Cebuc and Panoiu (2009); Balaure, Veghes and Balan (2009); Seymour (2007)
The importance of using <b>information and communication technology</b> to promote destination competitiveness.	Cetinkaya (2009)
The role of <b>distribution channels</b> (specifically tour operators), SMME's and Human Resource Development in managing a destination's competitiveness.	Seymour (2009)
The <b>role of local food</b> in destination marketing and competitiveness.	Du Rand (2006)
A destination's competitiveness should be managed according to and by means of its <b>lifecycle</b> .	Butler (2006)
The influence of <b>price</b> (elasticity and hedonic pricing) on the competitiveness of destinations that offer package holidays. A study of the <b>price competitiveness</b> of destinations by developing <b>indices of international price competitiveness</b> and comparing destinations on the basis of travel versus ground costs.	Mangion, Durbarry and Sinclair (2005); Dwyer, Forsyth and Rao (2000)
Using an existing <b>destination image</b> to build on its competitive advantage, in the absence of meaningful comparative advantages.	Hsu, Wolfe and Kang (2004)
<b><i>Tourist experiences</i></b>	
The competitiveness of destinations based on their <b>attractiveness as perceived by visitors</b> (individual visitors' well-being).	Cracolici and Nijkamp (2008)
Destinations have to fulfil the new experience seeking tourist's need for <b>co-creation</b> to remain competitive.	De Jager (2009)
<b>Service delivery</b> and <b>satisfactory</b> to remain competitive.	Poon (2003:139-140)



**Table 6: Summary of the literature on destination competitiveness (continued)**

Element/aspect	Author/s
<b><i>Leadership and Management</i></b>	
The <b>role and ability of DMOs</b> to determine the <b>success</b> of a destination.	Bornhorst, Ritchie and Sheehan (2009); Presenza, Sheehan, Ritchie (2005)
Developing a <b>system to measure excellence</b> in destinations.	Pierret (2008)
Competitiveness of destinations based on their <b>efficiency</b> (measured as their ability to transform inputs (tourism resources) into outputs (tourist flow)).	Cracolici, Nijkamp & Rietveld (2008)
The strategic and changing role of <b>destination marketing and management</b> in the quest for destination competitiveness.	Buhalis (2000)
Successfully managing the competitiveness of a destination through <b>entrepreneurial and visionary leadership</b> and by testing and <b>adapting to the market</b> over time.	D'Hautesserre (2000)
The progress in <b>destinations' tourism policy</b> from promotion to product development to the goal of maintaining competitiveness.	Fayos-Sola (1996)
<b><i>Tourism supply side</i></b>	
A destination's competitiveness is influenced by the internal and relational capabilities of its attributes – taking a <b>supply chain management</b> approach to managing competitiveness.	Rodríguez-Díaz and Espino-Rodríguez (2008)
Addressed the need to give consideration to determinants specifically related to <b>generic business factors</b> and <b>destination attractiveness (attractors)</b> .	Enright and Newton (2005); Enright and Newton (2004)
The <b>resources and capabilities</b> of a destination will determine its competitiveness in terms of a <b>specific type of tourism</b> .	Melián-González and García-Falcón (2003)
The management of a <b>destination's products</b> to influence traveller perceptions of the destination's competitiveness.	Murphy, Pritchard and Smith (2000)
The practice of <b>Integrated Quality Management</b> as a means to achieve competitiveness.	Go and Govers (2000)
<b><i>Environmental issues</i></b>	
Determining the dual effect of the overall <b>environmental management structure</b> (from both public and private sector perspective) on the competitiveness of the tourism industry at nature-based tourism destinations).	Huybers and Bennett (2003)
The importance of taking an <b>environmental approach</b> toward destination competitiveness.	Mihalic (2000)

Source: Researcher's own construction

The next table (Table 7, pg.66) presents articles related to new approaches or additions to the measurement of competitiveness through new or existing tools. It does not include the various models of competitiveness themselves, which will be discussed at a later stage (section 2.5.3 and 2.5.4).



**Table 7: New approaches to measuring destination competitiveness**

Element/aspect	Author/s
<i><b>Tools to measure destination competitiveness</b></i>	
<b>Competitive destination analysis</b> as a technique to systematically compare various different attributes of competing destinations; drawing attention to the need for <b>comparisons between competitors.</b>	Pearce (as discussed in Enright & Newton, 2005:339).
The development of a tool to assess destination competitiveness from a marketing perspective; specifically looking at the <b>destination's performance relative to competitors in specific target markets.</b>	March (2004)
The use of <b>benchmarking as a competitiveness tool</b> , as opposed to using (the limited tools) comparison research and competitive analysis.	Kozak (2002); Ritchie (2004)
Developing a framework for the measurement of <b>destination attractiveness</b> from a <b>supply and demand perspective.</b>	Formica (2002)
<i><b>Considerations when applying models to measure competitiveness</b></i>	
The need to take the <b>different stages of development of destinations into consideration</b> when evaluating the relevance and importance of the competitiveness variables.	Wilde and Cox (2008)
Measuring a destination's competitiveness by using <b>different models over time.</b>	Gomezelj and Mihalic (2008)
The creation of a competitiveness model that allows for the <b>identification and integrations of CSFs.</b>	Jonker (2003)

Source: Researcher's own construction

As stated in the introduction to the study, the evaluation of individual elements and indicators, as has been done by the studies mentioned in Table 6, remains a viable endeavour. Research is continuously being done on newly emerging elements and indicators of long-term competitiveness; often with the aim of including these elements into the models and determining their relative contributions toward destination competitiveness. It is therefore valid to pursue new or current trends to determine their potential contribution to overall destination competitiveness. Such trends should preferably also satisfy or fit in with the new theory related to the measurement of competitiveness (as indicated in Table 7), in order for it to be a sustainable contributor to overall destination competitiveness.

### **2.5.2 Establishing the competitive identity of a destination**

When referring back to Table 6 (pg.64), it confirms a previous statement by Li and Petrick that destination marketing is one of the most researched and published topics of all

tourism business studies (2008:235). Numerous studies have been done on the way in which specific areas of marketing can contribute to the competitiveness of a destination. One very popular topic appears to be that of destination branding and image – and rightly so. As Anholt (in UNWTO, 2009:ix) states: “As in any busy marketplace, brand image becomes critical: ... nobody has the time ... to understand the real difference between the offerings of one country and another, and so ... fall back on their fundamental beliefs and prejudices about those countries to help them make their decisions.” However, he argues that destination branding is not enough because it is greatly influenced by the nation’s image and that this national image is of fundamental importance to the travel and tourism industry of the country. DMO’s have to sell their countries to international audiences through their communication efforts, and this process can be either “... easy or difficult, expensive or cheap, simple or complex ...” as a result of the country’s ‘background reputation’ (Anholt in UNWTO, 2009b:ix).

According to Kotler and Gertner (2010:42), this ‘reputation’ or country image results from things like its geography, history, proclamations, art and music and famous citizens. They state that the entertainment industry and media play a particularly important role in shaping people’s perceptions of a place. Even if a country does not consciously manage its name as a brand, people still have images that will be activated when they hear the country’s name. Such country images are likely to influence many decisions related to the country, such as purchasing, investing, migration and travelling (Kotler & Gertner, 2010:42). This relates to the idea of ‘brand equity’, which suggests that if a place “... acquires a positive, powerful and solid reputation, this becomes an asset of enormous value – probably more valuable ... than all its tangible assets” (Anholt in UNWTO, 2009b:ix).

Anholt continues to state that marketing communication and a good destination brand is not enough to manipulate fundamental perceptions about a country. The destination has to find a way to close the gap between what it wishes to state in its tourism branding, and with what is known through its national image. This can be done through the concept of ‘competitive identity’, which is “essentially a plan for mobilising the strategies, activities, investments, innovations and communications of as many national sectors as possible, both public and private, into a concerted drive to prove to the world that the nation

deserves a different, broader and more positive image.” (Anholt in UNWTO, 2009b:xi). Anholt proposes that the competitive identity of a country can be communicated, influenced and represented through six main channels, namely tourism, brands, policy, investment, culture and people. A country’s reputation can be more effectively managed if there is improved coordination between these channels; which will entail “a national strategy, more sharing of resources and expertise, the encouragement of innovation and the establishment of common standards and quality measures” (Anholt in UNWTO, 2009b:xii). Of these six channels, tourism has the greatest potential to enhance the overall brand image of a country. As Anholt states: “A pleasant holiday experience ... has the power to change the brand image of a country, quickly and possibly forever, in the mind of the holidaymaker. People often abandon their preconceptions about countries once they visit them: for those individuals ... the country stops being a brand and becomes a real country. Indeed there is some evidence ... that preference for a country and its people, politics, culture and products tend to increase as a result of any personal experience of that country, even when the holiday experience is not positive.” (Anholt in UNWTO, 2009:xii)

The challenge for destination managers will then be to create opportunities where individuals (tourists) can have an experience of the offerings of the destination. This will not only relate to general management of visitor numbers, but could imply strategies focused on specifically attracting large numbers of visitors at a given time. The next section presents a possible strategy to do just that.

### **2.5.3 Linking mega-events to competitive identity and overall destination competitiveness**

It can be argued that one of the powerful ways of creating opportunities for personal experiences of a country, is through the hosting of events, especially mega or major events. Events attract tourists that perhaps would not have visited the destination otherwise – thereby giving the country an opportunity to ‘prove’ itself. And as Anholt (in UNWTO, 2009:xi) states, the ability of a destination to prove itself, is the basic principle behind competitive identity. The nature and character of events inherently promotes the development of a plan to mobilise the strategies, activities, investments, innovations and

communications of many stakeholders – as was indicated to be necessary for the promotion of a competitive identity (this statement will be explored in Chapter 3).

It may furthermore be argued that this is especially true of those events that are classified as mega-events. As Ritchie and Crouch (2003:119) stated, mega-events can raise a destination from obscurity to international prominence. Furthermore, major (sporting) events can be transformational for a nation. “Their impacts transcend the ‘destination’ and says much more about the ‘place’. This can be invaluable from the perspective of inward investment, political diplomacy and, probably to a lesser extent, tourism.” (UNWTO, 2009:21).

In order to support these arguments, it is necessary to determine whether events (including mega-events) have been given the required attention from a destination competitiveness perspective. According to the Handbook on Tourism Destination Marketing (UNWTO, 2009:20), numerous destinations use events to reinforce their brand, and that they “can be powerful in anchoring, and sometimes even changing, a destination’s image”. Within the literature on destination competitiveness, many studies exist on the importance of branding (as indicated in Table 6, pg.64). However, not all of them include the aspect of events; which is in contrast to the supposed contribution of events to destination branding. On the other hand, numerous studies that focus on the issue of destination branding were found within the study field of event tourism (as will be discussed in Chapter 3). According to Getz (2008:421), numerous existing studies in the event tourism field look at the roles and importance of events for destinations; with the majority of these focusing on impacts and marketing.

When returning to the purpose of this study, destination branding and imaging, although being very important, is but one dimension of overall destination competitiveness. Within this framework, competitive identity has to be supported by competitive practices throughout the destination. The question now arises from a strategic destination management perspective: how do these practices fit into the broader concept of destination competitiveness as it has been discussed up until this point? The next section aims to answer this question by exploring the popular models of destination competitiveness.

## **2.5.4 Mega-events as an element within the models of competitiveness**

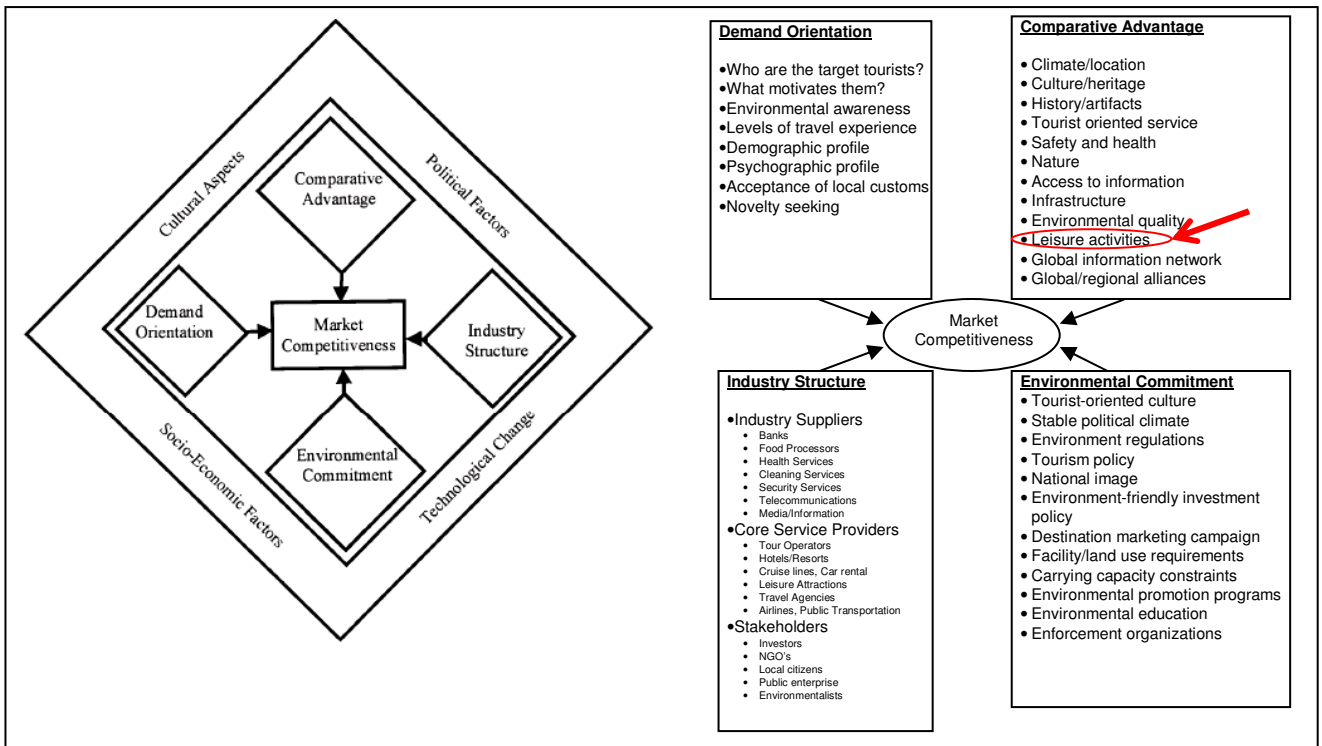
It can be argued that a study on mega-events has to be done from within the established models of destination competitiveness, if the aim is to make a meaningful contribution from a strategic destination management perspective. Hence, the need to determine whether mega-events have a recognised position within the models of destination competitiveness. To answer this question, four prominent and frequently cited models of competitiveness will now be discussed.

### ***2.5.4.1 Hassan's Model of Competitiveness for a Sustainable Tourism Industry***

Hassan's model is one of the first competitiveness models that focus on the tourism destination as opposed to focusing on the firm as a unit of analysis. It emphasises the importance of competitiveness within the market place, specifically giving consideration to the market's increasing preference for sustainable tourism offerings. Hassan states that "... sustained market competitiveness requires a balance of growth orientation and environmental commitment at an acceptable rate of return to all industry partners involved in the marketing of the destination ..." (2000:242).

This model focuses on four major determinants of market competitiveness namely (i) comparative advantage, (ii) demand orientation, (iii) industry structure, and (iv) environmental commitment. Hassan has also developed a set of indicators for each determinant, as is indicated in Figure 5 (pg.71). Within this model of competitiveness, events (including mega-events) can most suitably be placed within the determinant 'comparative advantage' and within the indicator 'leisure activities'.

**Figure 5: Competitiveness model of Hassan**



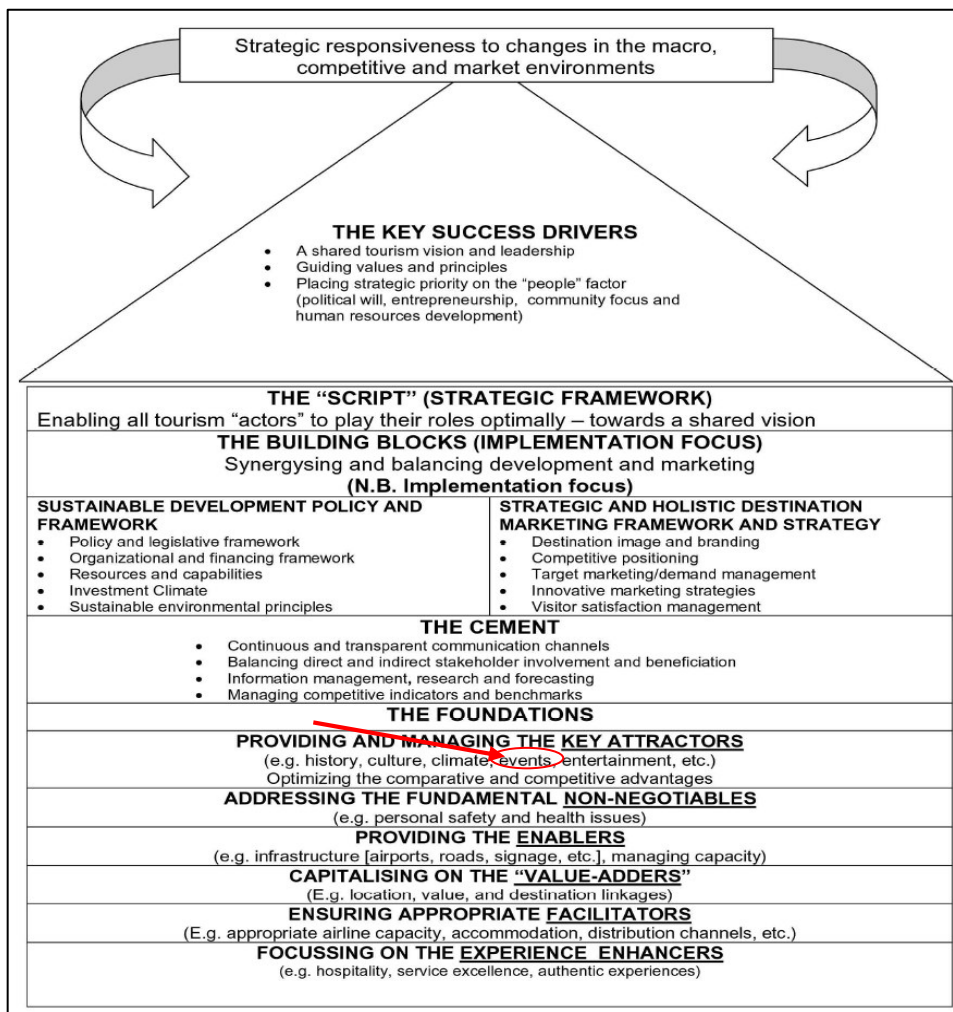
Source: taken from Hassan (2000:241)

### 2.5.4.2 Heath's House Model

Heath's model of competitiveness takes on a more integrated approach toward the amalgamation of the various elements of competitiveness into a singular representative model. He places more emphasis on the 'key success drivers' (the people) that have to champion the process and the 'vital linkages' that connect the different stakeholders and components within the destination. The model is presented in the form of a house, signifying the importance of all the components functioning together to ensure a strong structure.

The five key focus areas of the model include: (i) the foundations (key attractors, non-negotiables, enablers, value-adders, facilitators, experience enhancers); (ii) the cement (communication channels, stakeholder involvement, information management, performance measurement); (iii) the buildings blocks (sustainable development policy and framework, and a strategic and holistic marketing strategy); (iv) the 'script' (strategic framework); and (v) the key success drivers (vision, leadership, the 'people' factor) (Heath, 2002:339).

**Figure 6: Competitiveness model of Heath**



Source: Heath (2002:339)

Within this model, events (including mega-events) are part of the 'key attractors' that form the foundation of a destination's tourism offering. Key attractors can further be divided into two types: inherited and created. Inherited attractors refer to natural and cultural and heritage attractors intrinsically part of the original character of the destination; while created attractors are additional and specifically added to the destination. Events fall within this category (created attractors) as one of only four elements within this category (Heath, 2002:338), thus indicating its relative importance and contribution.



### **2.5.4.3 Dwyer and Kim's Integrated Model of Destination Competitiveness**

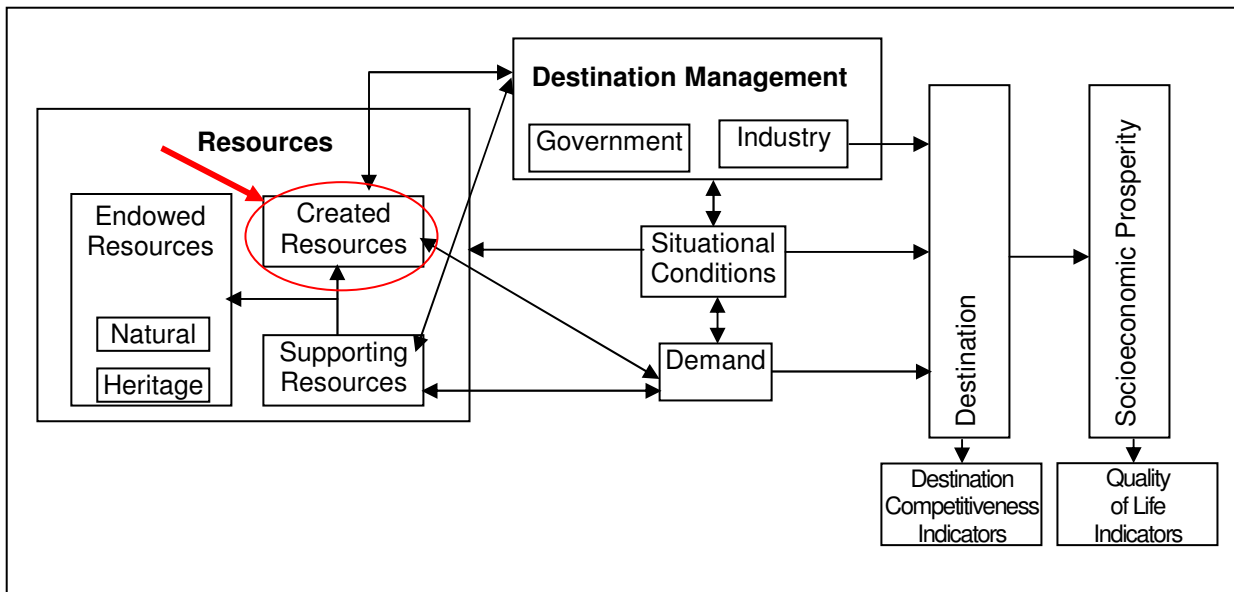
A model that has also received significant academic attention in the literature, is the Integrated Model of Destination Competitiveness presented by Dwyer and Kim (2003). Initial work was started on a model by Dwyer *et al.* (2000), with the full model and its components presented by Dwyer and Kim in 2003.

Dwyer and Kim's integrated model brings together the main elements of national and firm competitiveness. It adds value to the literature because it presents a set of both objective and subjective measurable indicators. The model "... explicitly recognises demand conditions as an important determinant ... [and] 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 ..." (Dwyer & Kim, 2003:377).

The model focuses on six categories, including (i) resources (endowed, created and supporting); (ii) situational conditions; (iii) demand conditions; (iv) destination management; (v) destination competitiveness; and (vi) socioeconomic prosperity. Within this model, events (including mega-events) fall within the 'created resources' category. Because the model explicitly indicates interrelationships between the various categories, it may be important to note that events are directly linked to 'destination management', 'demand' and 'supporting resources'.



**Figure 7: Competitiveness model of Dwyer and Kim**



Source: Dwyer and Kim (2003:378)

To summarise the position of mega-events within these three models, it is clear that mega-events is a key attractor (as indicated in Heath), falls within the created resource (as indicated in Dwyer & Kim) and that it forms part of the comparative advantage of a destination (as indicated by Hassan). These are not contradictory statements, but rather serve to complement each other. Resources are the elements within destinations used to attract tourists and, as previously discussed (section 2.3.3.4), comparative advantage is in essence concerned with the differences between countries in terms of their possession of resources (Ritchie & Crouch, 2003:20). The fact that it is part of the created resources (as opposed to an endowed resource), implies a great measure of control over the resource by destination managers; a fact which is eluded to in Dwyer and Kim's model where there is a direct link indicated between created resources and destination management.

The last model that will be discussed is the Conceptual Model of Destination Competitiveness of Ritchie and Crouch (2003). As this is the model whereupon this study's empirical work was based, it has been placed separate from the rest and the position of mega-events within this model is discussed in greater detail.

## **2.5.5 Ritchie and Crouch's Conceptual Model of Destination Competitiveness**

Destination competitiveness researchers, Crouch and Ritchie, first presented their views on international tourism in 1993 (Ritchie & Crouch in Ritchie & Crouch, 2000) and broadened it in 1999 (Crouch & Ritchie, 1999). The important aspect of sustainability was added in 2000 (Ritchie & Crouch, 2000) and in 2001 they developed operational measures for some of the components (Ritchie, Crouch & Hudson, 2001). In 2003 they presented their latest improved version of the model: a Conceptual Model of Destination Competitiveness (Ritchie & Crouch, 2003).

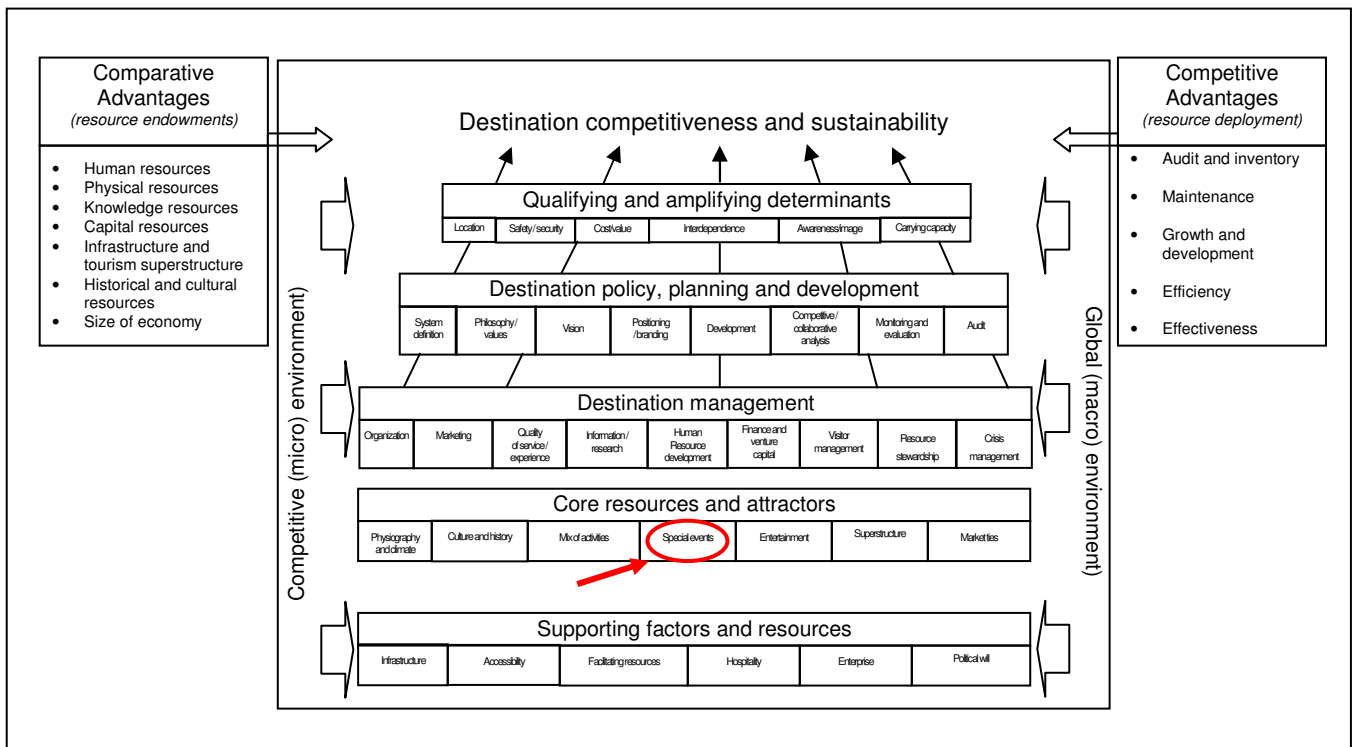
### ***2.5.5.1 Rationale behind choosing the Ritchie and Crouch model***

Mazanec *et al.* (2007:87) state that the Ritchie and Crouch model is "... without a doubt, the most comprehensive framework so far...it appeared in several publications over a period of 10 years ..." They also argue that its strength lies in its ambitious inclusion of all possible factors relevant to a destination's competitiveness. Enright and Newton referred to the Ritchie and Crouch model as "... the best known of recent attempts to conceptualize an approach that includes elements of tourism competitiveness and industry competitiveness ..." (2005:339). The model's apparent strength lies in the fact that it "... has undergone a number of iterations since its earliest public presentation ...", thus implying improvements based upon further research and comments by other researchers. The model also "... extends previous pioneering studies ... and ... mainstream research focused principally on destination image or attractiveness ..."

### ***2.5.5.2 Mega-events as a core attractor***

Within this model, events (including mega-events) fall within the 'Core Resources and Attractors' of a destination; which is in line with the position of events within the other models (as already stated). This group of factors are the things that motivate individuals to choose a particular destination over others. It is stated that "when all the complexities of destination choice are stripped away, it is essentially the core resources and attractors that underlie the basic desire to travel to a given destination" (Ritchie & Crouch, 2003:110).

**Figure 8: Competitiveness model of Ritchie and Crouch**



Source: Ritchie and Crouch (2003:63)

In 2007, Crouch undertook a study to determine the relative importance of the five main factors and the 36 sub-factors of the Ritchie and Crouch model by means of the Analytical Hierarchy Process (2007:6). Individuals with varying levels of experience and expertise on the topic took part in the survey. The study results indicated *Core Resources and Attractors* to be the dominant group of competitiveness factors (2007:17). When looking at the individual sub-factors as determinant attributes (those attributes that exert the greatest influence on a decision), *Special Events* were indicated as being among the top 10 (6<sup>th</sup> position out of 36) of the destination competitiveness attributes that carried the greatest weight (Crouch, 2007:21).

### 2.5.5.3 Mega-events' link with other destination resources

Where comparative advantage has to do with the resources that a country has available, competitive advantage on the other hand is the country's ability to effectively use or deploy these resources (Ritchie & Crouch, 2003:20-23). Every country has more or less of one or the other resource/s, known as its *factor proportions* (Ritchie & Crouch, 2003:23). A

destination will, in an effort to “... apply its comparative and competitive advantages ... look for a match between its competitive strengths and weaknesses, and the opportunities and threats present ... in the global tourism market ...’ (Ritchie & Crouch, 2003:27). If mega-events are regarded as part of the created resources, which implies a greater measure of control by destination management (as indicated in the Dwyer and Kim model), it can be stated that it is the ideal resource to use to counter weaknesses in factor proportions. This statement is supported by Ritchie and Crouch (2003:119) who found that special events provide a way to achieve visibility and to build a reputation for a destination, especially if the destination is not blessed with unique and abundant endowed resources..

If mega-events are opportunities presented in the global marketplace, there is a potential opportunity for a destination to gain competitiveness through an event, provided it can strengthen its event-related capacity. In order to do so, it has to be determined how mega-events link to and rely on the other resources within the destination. According to Ritchie and Crouch, resources consist of human, physical, knowledge, capital, infrastructure and tourism superstructure, and historical and cultural resources (2003:20-21). Upon further exploration it may be proven that events connect to all the resource categories to some extent; thus implying that it can be a means to develop or enhance several other resources within the destination. In support of this statement, Dwyer and Kim’s model (2003:378) also indicates a direct link between created resources and supporting resources.

#### ***2.5.5.4 Mega-events do more than creating awareness***

Events have proven themselves as a way to achieve visibility and to build a reputation for a destination. Ritchie (in Ritchie & Crouch, 2003:123) indicated “... increased awareness of the region as a travel/tourism destination ...” as the primary legacy of mega-events from a destination marketing perspective. As they stated, mega-events can raise a destination from obscurity to international prominence (2003:119). The primary negative legacy on the other hand, can be “... the acquisition of a poor reputation as a result of inadequate facilities or improper practices ...” (Ritchie in Ritchie & Crouch, 2003:123). This statement

coincides with previous discussions that indicate the link between mega-events and other resources within the destination, in order to build the destination's event-related capacity.

Although flagship events, such as World Cups and Olympic Games, can contribute in a major way to increasing international awareness of the destination, they often tend to only create a 'one-liner' in the mind of the world population. For example, the Atlanta Olympic Games of 1996 is remembered as the 'Games of the bomb', while the Sydney Games of 2000 is just referred to as a 'success' (Ritchie & Crouch, 2003:120). The following statements by Ritchie and Crouch capture the essence of linking mega-event legacies with overall destination competitiveness:

*"While one-time events may provide a worldwide burst of exposure for a destination, the impacts and awareness can be fleeting if there are no follow-up activities to consolidate the destination's reputation." (2003:120).*

*"... it is careful management of all factors that ultimately determines the extent to which a given event will add to the core attractiveness of a tourism destination ..."* (2003:121).

Getz, one of the leading experts in event management, noted in similar vein:

*"There are a number of fundamental underlying factors that create or heighten the quality of specialness that is essential for an event if it is to help a destination achieve the stature and level of recognition that turns an event core attractor into a truly competitive advantage for a destination." (Getz in Ritchie & Crouch, 2003:210).*

From a destination competitiveness perspective, it is evident that mega-events form a very important part of the attractiveness of a destination and can potentially be a very powerful tool in the hand of destination managers to improve competitiveness. What needs to be established at this point, are the factors that will be of critical importance when destination managers propose to employ mega-events as part of their competitive strategy.

## **2.6 APPARENT CRITICAL SUCCESS FACTORS TO LEVERAGE MEGA-EVENTS FROM A TOURISM DESTINATION MANAGEMENT PERSPECTIVE**

As indicated in Chapter 1, CSFs are the resources, skills and attributes of a destination that are essential to deliver success in the marketplace. When relating this to mega-events, these will be the things that are critical to ensuring that the destination's vision, mission and long-term goals are met through the hosting of such an event. Event-related CSFs will be specific areas of success which, if they deliver satisfactory results, will insure successful competitive performance for the destination (adapted from Jonker, 2003:61). In line with the purpose of the current study, such 'successful competitive performance' should ultimately imply overall destination competitiveness.

### **2.6.1 The identification and nature of critical success factors**

The use of CSFs were first introduced in 1961 and have been widely used in various fields since 1979 (Zwikael & Globerson, 2006:3434). Within the area of strategic planning and business strategy (which closely relates to destination management and competitiveness), Leidecker and Bruno (1984) were the first to make use of CSFs (Zwikael & Globerson, 2006:3434). Since then, they have been cited by several authors. Apart from Jonker (2003), they have been cited in recent studies related to the current study's topic. These include Ferreras (2010:205), who looked at the evaluation of competitiveness of tourist destinations; Cheng and Huang (2007:34) who discussed supply chain management in the hospitality industry; and Kanji (2008:1070) who developed a model for total quality management and business excellence. It therefore proved credible to consider Leidecker and Bruno's (1984) eight proposed techniques whereby CSFs can be identified.

Upon evaluation of these techniques, it became apparent that different techniques could be deemed appropriate for the current study. Table 8 (pg.80) indicates how the different techniques have been used to a greater or lesser (modified) extent, in various parts of this study. These techniques relate more to where the factors can be gathered from (the sources), and should not be confused with the techniques used to measure the relative importance of the factors (as will be discussed in the next section).

**Table 8: Techniques to identify CSFs**

Technique	Sources	Application	Advantages
Analysis of industry structure	Industry structure frameworks	Chapter 2: Literature on destination competitiveness Chapter 3: Literature on event studies	Allows an understanding of the inter-relationship between industry structural components and can force a macro level focus beyond industry boundaries
Industry/business experts	Industry executives, specialists, outsiders familiar with firms in the industry, and knowledgeable insiders who work in the industry	Empirical component: City of Tshwane interview process	Gather 'conventional wisdom' about the industry and firms. Subjective information (in line with the interpretive research paradigm).
Analysis of dominant firm in the industry	Line managers Consultants	Chapter 3: lessons from mega-event case studies	An understanding of dominant competitors' practices may assist in corroborating destination specific CSFs

Source: Adapted from Leidecker & Bruno (1984:26)

To identify CSFs from these sources as identified in Table 8, different techniques can be used. Park and Gretzel (2007) used qualitative meta-analysis to evaluate all the existing literature on website marketing from different study fields, in order to identify the CSFs for destination marketing websites. Baker and Cameron's (2007) extensive review of the literature covering place and destination marketing, produced thirty-three CSFs in four categories of successful destination marketing. Campiranon (2007) identified the CSFs for crisis management in the Meetings, Incentives, Conferences and Exhibitions (MICE) sector, based on qualitative data collected from in-depth interviews.

When searching for industry success factors in the current study (as indicated in Table 8), it will be those skills and attributes of a destination that are essential to deliver success in the global events (including mega-events) market (adapted from Lynch in Jonker, 2003:64), in such a way as to ensure sustainable destination competitiveness. As already indicated in Table 8, CSFs will include elements from the external (macro) environment, as well as resources and skills of the destination. CSFs should be critical for success and they should contain strategic, as well as tactical factors. Furthermore, "each factor should be necessary and together they should be sufficient to achieve the overall vision, mission and strategies" (Jonker, 2003:67).

The CSFs should be underpinned by core competences; in other words, the capabilities, skills, processes and resources of the destination that are needed to deliver superior



performance in terms of each CSF (Sims & Smith in Jonker, 2003:67). It is important to state CSFs in definite terms and to ensure that they do not “... state an outcome with foggy advice ... [that only improves] ... managers’ general know-how, [but] are not specific enough to support better decision-making.” (Zwikael & Globerson, 2006:3435). It is important to consider the fact that each destination has its own unique situation (geographic location, resources, competences and strategies), which may lead to CSFs that differ from those that are applicable to the next destination (Jonker, 2003:66).

The researcher will now present the first set of apparent CSFs to leverage mega-events as an element of destination competitiveness. This first set is based on destination competitiveness literature. More specifically it will include factors that were frequently found to be included in the literature, or were found as part of current topics of discussion.

### **2.6.2 Leveraging mega-events from a tourism destination management perspective**

From the literature it becomes clear that there are certain key areas of performance within a destination that contribute to its global competitiveness. Most of these areas are included in the models of destination competitiveness, while some have been found to be popular topics within existing literature. As discussed in section 2.5.2 and 2.5.3, mega-events form part of a destination’s attractiveness as a created resource, and may prove to be a valuable competitive tool. From a tourism destination management perspective, it is necessary to understand where and how this attractor links to the key areas of a destination’s competitive performance.

Table 9 (pg.82) presents the proposed apparent CSFs that have to be considered to achieve the goal of overall destination competitiveness, as the researcher has derived them from the literature studied. There are five broad categories, and each CSF category is supported by key performance areas<sup>6</sup>. At this point, the CSFs are not elaborated upon or linked to core competences. The aim is to add to these elements once the CSFs have been explored and confirmed through a study of event literature, as well as the results of the stakeholder interviews.

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<sup>6</sup> Refer to Appendix A (pg.339) for more detail on the table, including reference to the applicable sections in this chapter that support the CSFs.



**Table 9: Apparent CSFs to leverage mega-events from a destination competitiveness perspective**

<b>ADDRESSED AS A STRATEGIC DESTINATION PRIORITY</b>
<i>Hosting of the mega-event should be directed by visionary leadership. It should be linked to a vision of human development and quality of life of residents. Event-related strategy and actions have to be benchmarked against industry leaders. Determine how performance will be measured.</i>
Guided by visionary leadership Given a place in tourism policy Focus on human resource development Destination benchmarking, monitoring and evaluation
<b>CLARIFYING THE STAKEHOLDER ROLES AND RELATIONSHIPS</b>
<i>Understand who the stakeholders involved are. Clarify their roles and understand their vested interests. Involve them in a timely manner. Understand the needs/characteristics of event market.</i>
Government and political groups DMOs and RTOs Industry members (suppliers, intermediaries, principals, bodies, associations) Tourists Communities Investors
<b>MANAGING THE RELATED DESTINATION RESOURCES</b>
<i>Linked to quality assurance and supply chain management. Have a comprehensive destination 'inventory' and know what the destination's strengths and weaknesses are in terms of global measures of competitiveness. Know which resources are linked to hosting an event and which will have to be developed by the destination.</i>
Resource base analysis Supply chain management Quality assurance Service delivery Destination attractiveness
<b>ALIGNED WITH THE OVERALL DESTINATION MARKETING STRATEGY</b>
<i>Must be appropriately aligned with the overall destination marketing strategy. Understand the positive and potential negative effects of an event on destination's marketing. Make use of appropriate methods to leverage event-related marketing opportunities.</i>
Brand and image Use of ICT Distribution channels Pricing issues Link with other destination products Managing the destination lifecycle Understanding the event market
<b>CONSIDERATION FOR ENVIRONMENTAL ISSUES</b>
<i>The event has to be approached with a consideration for environmental issues. Also have to ensure greening of the event and ways to measure and prevent negative event impacts.</i>
Green practices Measuring and managing climate impacts

## 2.7 CONCLUSION

The concept of tourism destination competitiveness has been formalised and structured among academia as well as practitioners, and it is a well established topic within tourism research. Great progress has been made in terms of motivating, defining and measuring competitiveness of tourism destinations. Several internationally recognised bodies such as the UNWTO, WEF and WTTC have done extensive work in terms of determining competitiveness in measurable terms; ranging from indexes that rank countries in terms of their global levels of competitiveness relating to various themes, to committees that focus on assisting countries in determining and managing their national competitiveness. There are a few concepts and practices that appear to be closely related to, and that are often found alongside discussions on competitiveness; including destination marketing, benchmarking, quality management and sustainability. The importance of stakeholder identification and cooperation within a destination is considered to be a key determinant of destination competitiveness. In this regard, the DMO is highlighted as the entity that has to take the leading role in the marketing and development of a destination.

Research is also continuously being conducted on newly emerging elements and indicators of long-term competitiveness; often with the aim of including these elements into the models and determining their relative contributions toward destination competitiveness. Very importantly, it is argued that marketing communication and a good destination brand is not enough to manipulate fundamental perceptions about a country, and that strategic thinking need to focus on the competitive identity of the destination. Any tourism destination has to find a way to close the gap between what it wishes to state in its tourism branding, with what is known through its national image. It is argued that events offer a personal experience of a country, and are therefore ideal opportunities for destinations to 'prove' themselves in this way.

Upon exploration of the models of destination competitiveness, it became evident that mega-events form a very important part of the attractiveness of a destination and can potentially be a very powerful tool in the hand of destination managers to improve competitiveness. They are categorised as key attractors and form part of the created resources over which destination managers have a great deal of control. In order for a

destination to optimally leverage mega-events, it became clear that they would have to be related to the key areas of a destination's competitive performance. Within the context of the literature on destination competitiveness, a set of five apparent CSFs were identified whereby any leveraging of events should be approached. They include the following:

- (i) It should be addressed as a strategic destination priority;
- (ii) The stakeholder roles and relationships need to be clarified;
- (iii) The related destination resources have to be effectively managed;
- (iv) It has to be aligned with the overall destination marketing strategy; and
- (v) There has to be a consideration for environmental issues.

In order to meaningfully relate events to these aspects of destination competitiveness, there needs to be a clear understanding of all the aspects encompassed in an event. Chapter 3 will focus on events literature with the aim of providing a clear description of the nature of mega-events and all the event-related issues. Through an understanding of these issues, it will be possible to determine the applicability of these five identified CSFs within the context of mega-event leverage. An exploration of the major considerations in event management from a tourism destination perspective, will add greater context to the five CSFs, and will also give an indication of all the core competences required to deliver on the CSFs.