

## CHAPTER 8

### INTERNATIONAL DESTINATION COMPETITIVENESS MODEL

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## **CHAPTER 8**

### **INTERNATIONAL DESTINATION COMPETITIVENESS MODEL**

#### **8.1 INTRODUCTION**

Chapters 5 to 7 addressed the different components of the strategic management model that was developed in chapter 4. The purpose of this chapter is to summarise this contribution and to critically compare it with similar models identified in the literature study. Success indicators identified in the literature study will also be summarised. The development of success indicators will enable the researcher to use these indicators in the empirical study that will follow.

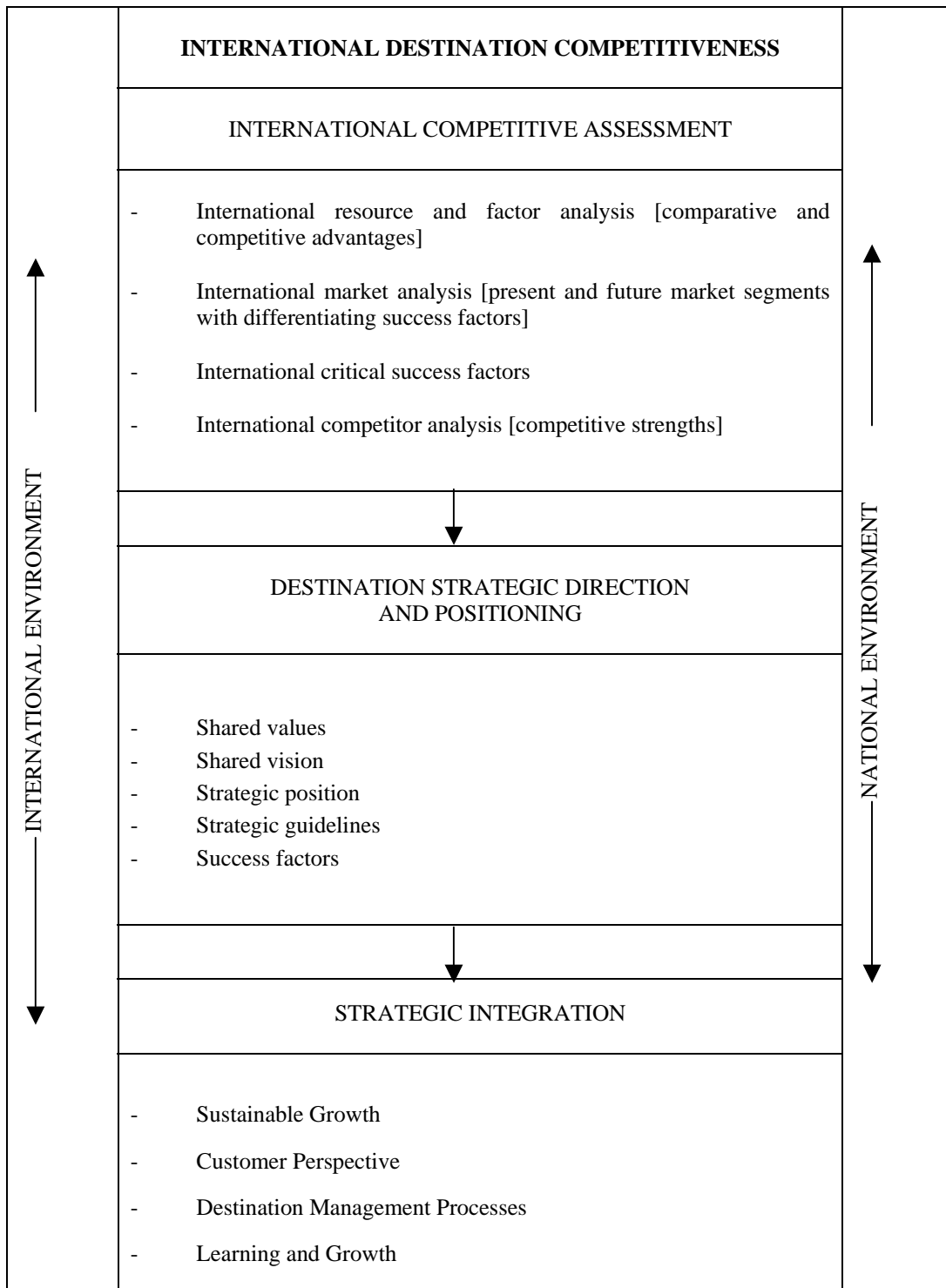
The first part of the chapter will describe the different components of the model and will then identify strategic indicators for all the components of the model. The second part of the chapter will critically evaluate this integrated model in comparison with others that have been proposed in the literature, specifically those of Crouch and Ritchie [2000] and Dwyer [2001].

#### **8.2 AN INTEGRATED MODEL OF DESTINATION COMPETITIVENESS**

##### ***8.2.1 Introduction***

The integrated model of destination competitiveness that has been developed in this study is shown in Figure 8.1.

**Figure 8.1 International destination competitiveness model**



**Source: Researcher’s own construction**

The model brings together the main elements of national and organisational competitiveness as proposed in the wider literature and the main elements of

destination competitiveness as proposed by various tourism researchers. It contains some of the variables and main points identified by Crouch and Ritchie [1993, 1994, 1995, 1999, 2000] in their comprehensive framework of destination competitiveness, but incorporates other contemporary views on the identification and integration of strategy for a competitive destination. Figure 8.1 shows that the main elements of destination competitiveness fall into three major sections: international competitive assessment, destination strategic direction and positioning and strategic integration.

The purpose of the international competitive assessment is to provide valuable competitive information to the destination on which strategic decision-making could be based. This is achieved by:

- Comparing the destination's natural resources and factor conditions with that of their main competitors and world class conditions to ascertain the comparative and competitive advantages of the destination;
- Analysing the present and future international market segments and identifying differentiating success factors within these segments;
- Identifying international success factors that can be used as benchmarks;
- Conducting a competitor analysis that will evaluate and identify the competitive strengths of the destination.

The destination's strategic direction and positioning describe the overall strategic direction of the destination within the context of international competitive demands as well as local stakeholder demands and capability constraints. The outcomes of this process include: shared values, shared vision, strategic position, strategic guidelines and destination success factors. The purpose of this section of the model is to give an externally competitive and internally unified strategic direction to the destination.

The box representing strategic integration concentrates on identifying and integrating those critical success factors and indicators that will lead to the strategic vision and ensure international competitiveness.

In developing the model, it was important to recognise that the tourism field is constantly influenced by a range of national and international environmental forces.

National forces include the components that shape the immediate industrial environment as well as impacts from national factors such as the political, economic, social, ecological and technological environment.

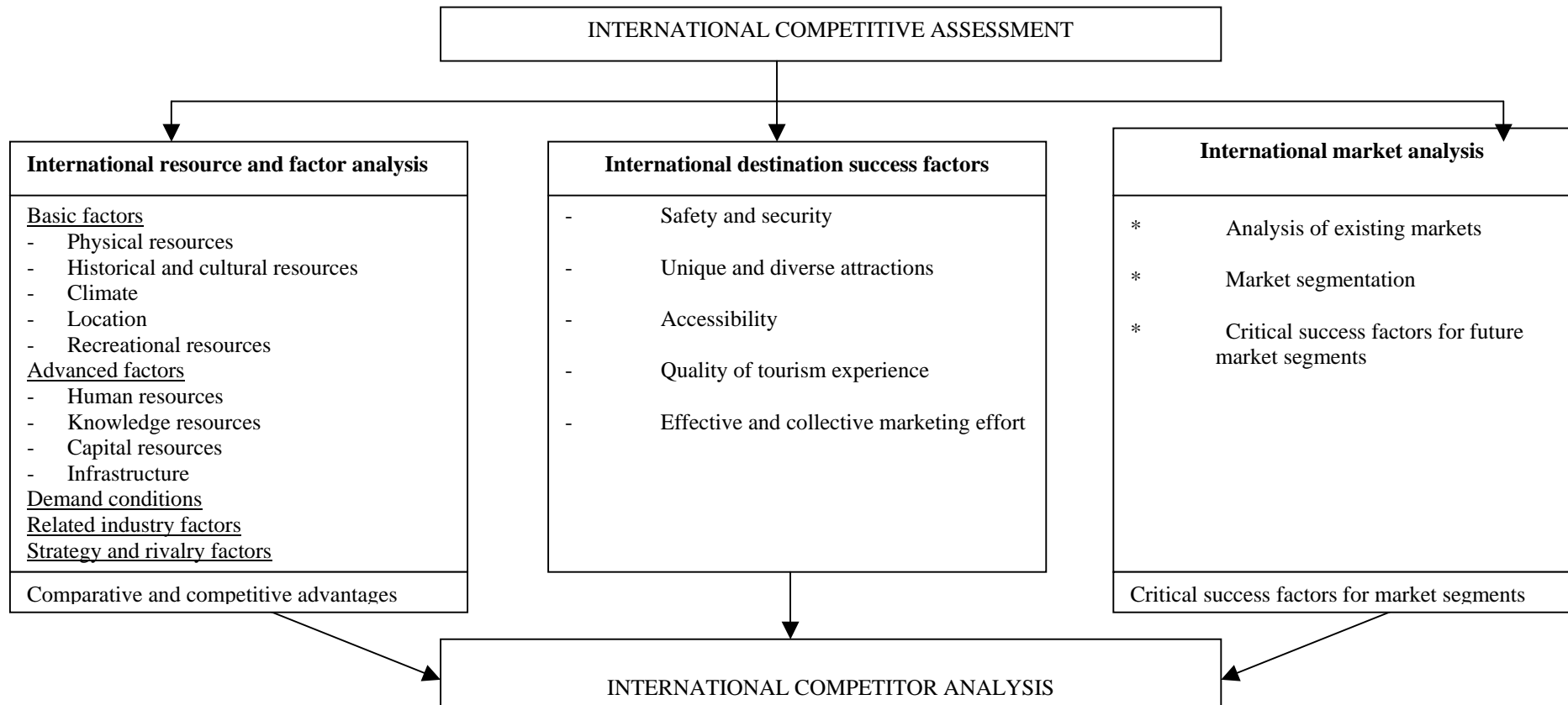
Tourism is also influenced by a range of international forces including changing demographics, technological changes, the changing world order, growing concern for the environment, sustainability of safety and health and human resource developments. These important international trends were analysed and discussed in chapter 2. The national and international forces present a given destination with a number of special concerns, problems or issues that it must either adapt to, or overcome if it is to remain competitive [Crouch & Ritchie, 1999: 146]. It must therefore be kept in mind that both the national and international environments are in a constant state of change and evolution resulting in changing competitive environments. In this model it is essential that these environments are regularly monitored and that this information is constantly fed into the tourism destination management system. This information will be applicable to all the different elements of the model.

The various elements of the model will now be further summarised and discussed.

### ***8.2.2 International competitive assessment***

Figure 8.2 shows the elements of the international competitive assessment.

**Figure 8.2 International competitive assessment**



**Source: Researcher's own construction**

In the resources and factor analysis, the basic, advanced and other factors of the destination are compared with World Class Conditions and competitors to establish comparative and competitive advantages. The international resource and factor analysis has four major components: factor conditions, demand conditions, relating and supporting industries and strategy structure and rivalry. Factor conditions consist of basic factors like natural, historical, cultural and recreational resources and advanced factors like human resources, knowledge resources, capital resources and infrastructure. Demand conditions emphasize that there is a direct relationship between domestic demand and international competitiveness. Demand conditions, particularly domestic demand and its internationalisation to foreign markets, establish the “proving grounds” for the industry. Foreign demand thrives more readily when domestic demand is well established [Crouch & Ritchie, 1993: 38].

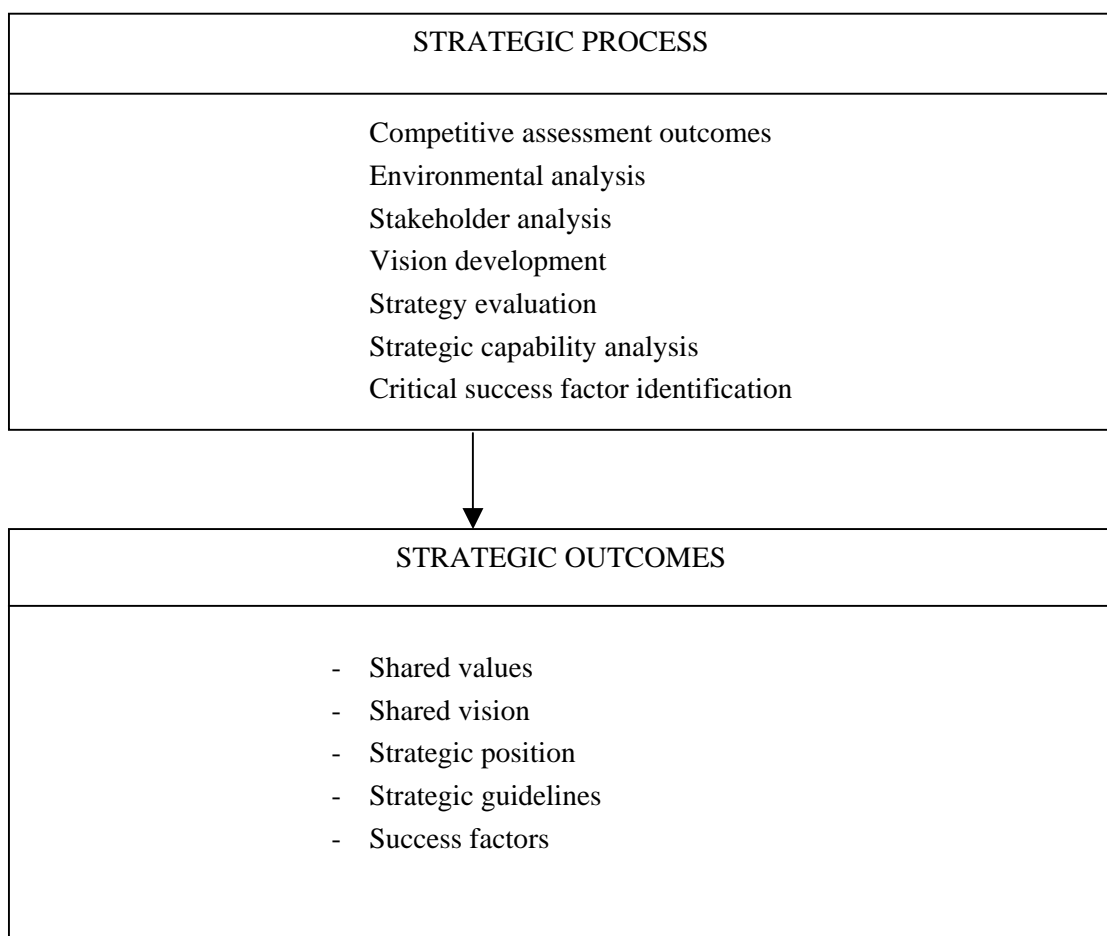
Related and supporting industries that possess their own advantages can increase the competitive strength of an industry. One of the keys for tapping South Africa’s tourism potential is to develop more effective linkages and synergies between the related and supporting industries. The fourth point in the assessment concerns strategy structure and rivalry. A climate of competition stimulates improvement and discourages stagnation. High levels of rivalry among domestic tourism industries will therefore enhance international competitiveness.

The international market analysis calls for the analysis of present and future international market segments. Market segmentation is an important step in this process and markets should be identified based on relevant segmentation criteria. Each market segment will have unique characteristics, needs and critical success factors. Characteristics and critical success factors that are shared by all the target markets can also be identified and will be important indicators for future strategic development. International destination success factors that are generic to the international tourism industry should be identified and used as benchmarks for own destination performance. The competitor analysis could be used to determine the relative competitiveness strength of the tourism destination.

### 8.2.3 Destination strategic direction and positioning

The destination strategic direction and positioning box is shown in Figure 8.3. The destination “vision” provides direction for development. Crouch and Ritchie [1993, 1999] emphasize the importance of vision emanating from a process based on stakeholder values and consensus rather than from an “expert driven” process based solely on market forces.

**Figure 8.3 Destination strategic direction and positioning**



**Source: Researcher’s own construction**

Having formulated a national shared vision, a positioning strategy has to be developed that will ensure the competitive advantage and growth of the destination. This positioning strategy is viewed from a holistic perspective and includes both the



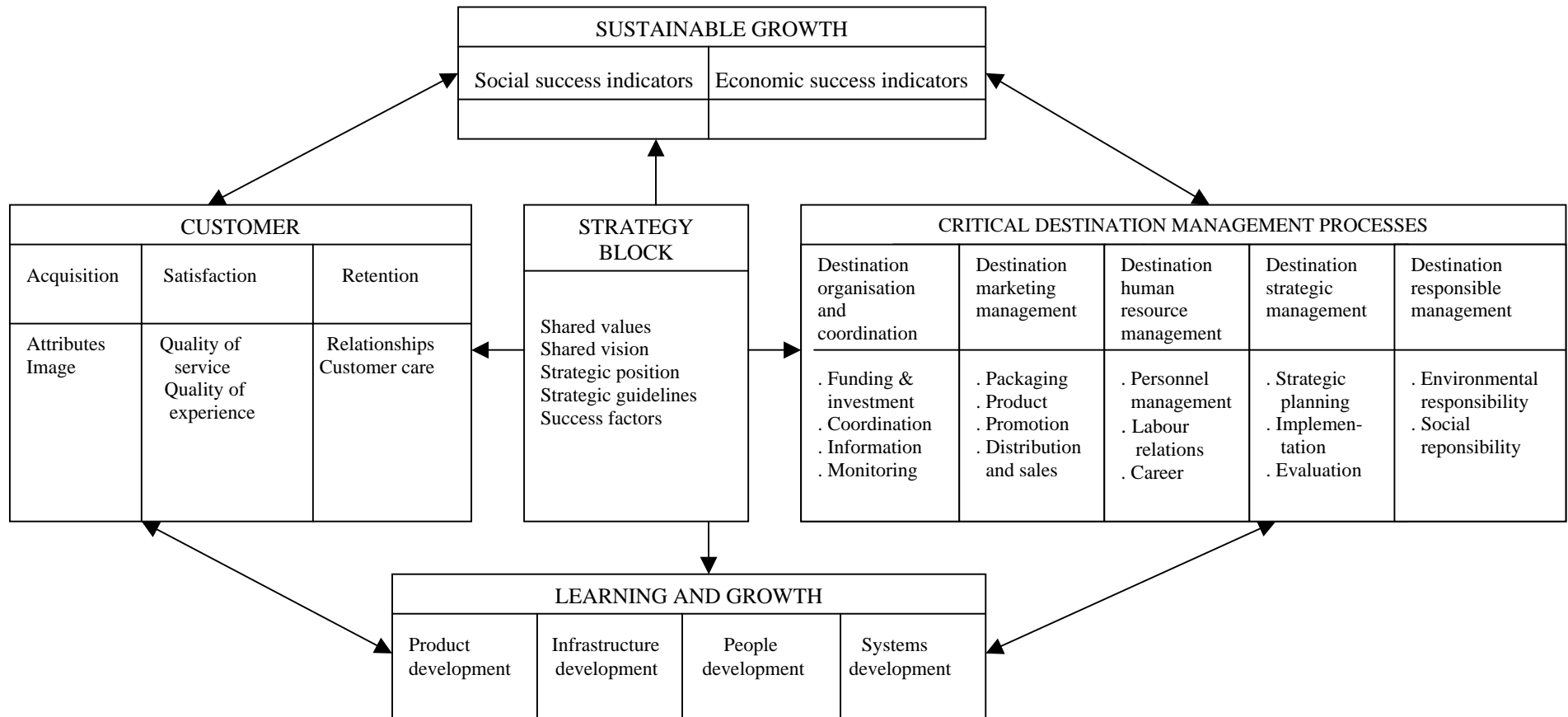
“business scope” or market paradigm as well as the “strategic capability” paradigm.

The extent to which destination planning will enhance destination competitiveness will depend on issues such as whether it is driven by shared values, a destination vision, awareness of the destination’s tourism products and services and understanding of visitor needs, as well as the correct positioning of these in the marketplace [Crouch & Ritchie, 2000]. Important outcomes of the desired process will therefore be shared values, shared vision, strategic position and destination success factors. Strategic guidelines on social development, sustainability and environmental management specifically, should also be incorporated.

#### ***8.2.4 Strategic integration***

The strategic integration section makes provision for identifying and integrating critical success factors by using four perspectives: sustainable growth, customer, destination management processes and learning and growth. The section is shown in Figure 8.4.

**Figure 8.4** The strategic integration of destination success factors



**Source:** Researcher's own construction

A two-step process for integrating critical success factors was identified. The starting point is formulating and classifying the 5S “Strategy Block”, consisting of stakeholder values, shared vision, strategic position, strategic guidelines and success factors which are the outcomes of the strategic direction and positioning box. This strategy block serves as the “nerve centre” from which secondary critical success factors can be identified and integrated in four different categories:

*a] Sustainable growth*

The sustainable growth perspective measures the sustainable growth that the tourism destination generates for all the stakeholders. This measurement is arrived at through economic indicators and social indicators. Profitable enterprises are critical for the economic development of the industry. However, according to Hassen [2000: 239], it is also critical for destination development plans to be compatible with environmental and social integrity for the tourism industry to maintain its economic viability. The WTTC [2001] notes that “sustainable travel and tourism development relies upon policies which support harmonious relationships among travellers, local communities, the private sector and governments to balance natural, built and cultural environments with economic growth and stability”. Social success indicators that will measure sustainable growth can therefore include environmental sustainability, employment creation and supportive communities.

*b] Customer perspective*

The market segments in which the destination would like to compete and the differentiating factors in each section are important inputs into the customer perspective.

The ultimate goal of the customer perspective is to add optimum value to the customer experience at the tourism destination. Kaplan and Norton [1996: 62] divide customer value proportions into three parts: customer acquisition, satisfaction and retention. The critical success area identified for customer acquisition is destination image. Various works on tourism, particularly those of Fakey and Crompton [1991: 12]; and Kim [1998: 341], indicate that the primary goal in promoting a destination

and acquiring customers is to project a positive image to potential tourists so that the product becomes desirable to them. These destination attributes include tangible as well as intangible attributes that determine the attractiveness of a destination to a particular tourist in a given travel situation [Kim, 1988: 388].

The generic critical success factors identified for customer satisfaction are those of quality of service and quality of experience. Otto and Ritchie [1996: 167] point out that a measure for the quality of the service experience is a useful complement to traditional quality of service measures. The relationship experience with the tourist is critical if customer retention is to be ensured. According to Gronroos [1995: 250], relationship type approaches must also manage interactive aspects of the delivery process which go beyond traditional management of the marketing mix elements.

*c] Destination management processes*

Destination management processes that will have the greatest impact on the value proportions of customers and the achievement of sustainable growth objectives must be identified and measured [Kaplan & Norton, 1996: 63].

Various areas and levels of government are involved in the promotion, regulation, presentation, planning, monitoring, maintenance, coordination, enhancement and organisation of tourism resources at the macro level [Dwyer, 2001: 77]. As Buhalis notes, Destination Management Organisations [DMOs], which include convention and visitor bureaus, and national and regional tourism organisations, “have overall responsibility for the entire destination product and through incentives and policies facilitate the development of product and create local partnerships for the delivery of seamless experiences” [Buhalis, 2000: 108].

The model in this study identifies five types of destination management processes that are important for destination competitiveness: destination organisation and coordination; destination marketing; destination human resource development; destination strategic management and destination responsibility management. These activities correspond with the destination management activities identified by Crouch and Ritchie [2000: 3] and Dwyer [2001: 74] in their destination competitive models.

Destination management organisation refers to the organisation of tourism activities on a national and regional level. Four aspects of destination management organisation are particularly important to competitiveness. These are funding and investment, coordination, the provision of information and monitoring and evaluation [Dwyer, 2001: 77]. The next element, destination marketing management, refers to the overall marketing and promotion of the destination. Crouch and Ritchie [1999: 149] point out that it also includes attention to product packaging, promotion, effective distribution channels and sale of the destination. Human resource development refers to a responsibility on a macro level to manage the human resources of the destination and includes personnel management, labour relations and career pathing. Bueno [1999: 321] argues that “since competition between firms is determined by skills, human resources are a central factor in achieving competitiveness”.

Destination strategic management starts with the strategy block where the values, vision, strategic position and strategic guidelines are identified and formulated. It will be the responsibility of organisations at the macro-level to ensure that all stakeholders buy into the vision and overall strategy and to manage the strategic implementation of these strategies and guidelines. Strategic management and implementation will also include taking specific strategic decisions such as the deployment of resources. These strategic decisions should be taken within a policy framework of regulations and strategic guidelines and objectives. Destination responsible management refers to the management of the social as well as the environmental responsibility of the destination.

*d] Learning and growth*

The fourth integration perspective identifies the infra-structure that the destination must build to create long-term growth and improvement [Kaplan & Norton, 1996: 63]. Destinations are unlikely to meet their sustainable growth targets by simply using today’s technologies and capabilities. International competition also requires that destinations continually improve their products, infrastructure, systems and capabilities for delivery to customers and stakeholders.

Kaplan and Norton [1996: 94] note that learning and growth come from three

principle sources: people, systems and organisational procedures. The integrated model adds one more source, namely, product development. The present and desired capabilities, competencies, products and infrastructure of the destination should therefore be analysed to reveal the strategic gaps. To close these gaps, the destination may have to develop new products, build new infra-structure, invest in re-skilling employees, enhancing information technology and systems and aligning organisational procedures and routines.

### **8.3 INDICATORS OF DESTINATION COMPETITIVENESS**

#### ***8.3.1 Introduction***

Having developed a framework for destination competitiveness, the next step is to develop indicators of competitiveness. For purposes of this study, a set of indicators was selected based on a literature survey. Dwyer [2001: 97] emphasizes that there is no single or unique set of competitiveness indicators that apply to all destinations at all times.

Kaplan and Norton [1996: 8] developed indicators and measures which complement financial measures of past performance with measures of the drivers of future performance. The integrated model for destination competitiveness developed in this study has in a similar manner, developed indicators of performance in the following strategic perspectives: sustainable growth, customer, destination management processes and learning and growth.

#### ***8.3.2 Selected indicators of destination competitiveness***

For purposes of this study, a set of indicators was selected which were used in the empirical study to indicate the competitiveness of South Africa as a tourism destination.

*a] Sustainable growth indicators*

The selected sustainable growth indicators of success are shown in Table 8.1.

**Table 8.1 Sustainable growth indicators**

| <b>CRITICAL SUCCESS FACTORS</b> | <b>INDICATORS OF SUCCESS</b>  |
|---------------------------------|---|
| Economic growth                 | <ul style="list-style-type: none"> <li>* Destination market share</li> <li>* Tourism growth trends [eg. Visitor numbers]</li> <li>* Tourism contribution to GDP</li> </ul> [SA Tourism, 2002: 5]                              |
| Social growth                   | <ul style="list-style-type: none"> <li>* Increased community involvement</li> <li>* Transformation of the tourism industry</li> <li>* Responsible environmental practices</li> </ul> [Dwyer, 2001 : 77] [SA Tourism, 2002: 5] |

The ultimate goal of the destination is to achieve sustainable growth for the population by being socially responsive and internationally competitive.

*b] Customer indicators*

Customer indicators that were identified are shown in Table 8.2

**Table 8.2 Customer indicators**

| <b>CRITICAL SUCCESS FACTORS</b>                   | <b>INDICATORS OF SUCCESS</b>   |
|---|--|
| 1. Customer acquisition<br>[attributes and image] | 1.1 Climate<br>1.2 Cleanliness and sanitation<br>1.3 Wildlife<br>1.4 Scenic beauty<br>1.5 Historic/heritage sites, including museums<br>1.6 Artistic and architectural features<br>1.7 Traditional arts<br>1.8 Variety of cuisine<br>1.9 Unspoiled nature<br>1.10 Special events/festivals<br>1.11 Amusement/theme parks<br>1.12 Water based activities [e.g. swimming, boating, fishing]<br>1.13 Nature based activities<br>1.14 Adventure activities<br>1.15 Value for money<br>[Dwyer, 2001: 93; Kim, 1998:354; and SATOUR, 1999: 48] |
| 2.1 Customer satisfaction<br>Quality of service   | 2.1.1 Airport transfers<br>2.1.2 Taxi services<br>2.1.3 Public transport<br>2.1.4 Visitor centres<br>2.1.5 Accommodation<br>2.1.6 Catering<br>2.1.7 Tours<br>2.1.8 Attractions<br>2.1.9 Car and craft rentals<br>2.1.10 Entertainment<br>2.1.11 Health and beauty<br>2.1.12 Sport and recreation<br>[Fabricius, 2001: 76; Augustyn, 1998: 145]   |
| 2.2 Quality of experience                         | 2.2.1 Hedonistic<br>- excitement<br>- enjoyment<br>- memorability<br><br>2.2.2 Interactive<br>- meeting people<br>- being part of the process<br>- having choice<br><br>2.2.3 Novelty<br>- escape<br>- doing something new<br>2.2.4 Comfort<br>- physical comfort<br>- relaxation<br>2.2.5 Safety<br>- Personal safety<br>- Security of belongings   |



| CRITICAL SUCCESS FACTORS  | INDICATORS OF SUCCESS                                      |   |
|---|--|---|
| 3. Customer retention<br>3.1 Relationships<br><br>3.2 Aftercare | 2.2.6<br><br>3.1.1<br>3.1.2<br><br>3.2.1<br>3.2.2<br>3.2.3 | Stimulation<br>- education and informative<br>- challenging<br>[Crouch & Ritchie, 1996: 168]<br><br>Interaction of tourist with destination and community<br>Willingness of community to interact with tourists<br>[Gronroos, 1995: 250]<br><br>Database management<br>Consumer and client tracing and feedback<br>Industry feedback and follow up<br>[Otto and Ritchie, 1996: 169] |

*c] Critical destination management processes*

The indicators of success for the critical destination management processes are shown in Table 8.3.

**Table 8.3 Critical destination management processes: Indicators of success**

| CRITICAL PROCESS                                  | INDICATORS OF SUCCESS                         |  |
|---|---|--|
| 1. Destination organisation                       | 1.1<br>1.2<br>1.3<br>1.4                      | Funding and investment in destination<br>Coordination of destination<br>The provision of information<br>Monitoring and evaluation<br>[Dwyer, 2001: 77]   |
| 2. Destination marketing<br>2.1 Product packaging | 2.1.1<br>2.1.2<br>2.1.3<br><br>2.1.4<br>2.1.5 | Established routes, themes and itineraries<br>Quality marketing materials<br>Collective packages of attractions of cities, areas and regions<br>Commission and pricing contracts with suppliers<br>Wholesale packages<br>[Heath, 2000: 14] |
| 2.2 Promotion                                     | 2.2.1<br>2.2.2<br>2.2.3                       | Consumer advertising, PR and promotion<br>Trade exhibitions, workshops, sales visits<br>Marketplace presentation<br>[Fabricius, 2001: 76]  |
| 2.3 Distribution and sales                        | 2.3.1<br>2.3.2<br>2.3.3<br>2.3.4              | Enquiry and information service<br>Effective distribution information<br>Brochure display<br>Retail [travel agency] sales  |

| CRITICAL PROCESS                         | INDICATORS OF SUCCESS  |
|--|--|
| 3. Destination strategic management      | 2.3.5 Reservations<br>2.3.6 Payment and ticketing<br>2.3.7 Insurance<br>[Fabricius, 2001: 76]<br><br>3.1 Strategic direction<br>3.2 Strategic planning<br>3.3 Strategic implementation<br>3.4 Monitoring and evaluation<br>[Crouch & Ritchie, 2000: 3; Dwyer, 2001: 77; Researcher's own contribution] |
| 4. Destination human resource management | 4.1 Personnel management, recruiting motivation<br>4.2 Labour relations and negotiations<br>4.3 Career pathing<br>[Fabricius, 2001: 76]  |
| 5. Responsibility management             | 5.1 Environmental protection targets<br>5.2 Development of environmentally based tourism activities<br>Responsibility to local communities<br>5.3 Development of local cultures and protection against over-commercialisation<br>5.4<br>[Government SA, 1996: 19; Mihalic, 2000: 67]                   |

*d) Learning and growth indicators*

Indicators for the learning and growth perspective are shown in Table 8.4.

**Table 8.4 Learning and Growth Perspective: Indicators of success**

| CRITICAL SUCCESS CATEGORY | INDICATORS OF SUCCESS  |
|---------------------------|--|
| 1. Product development    | 1.1 New airline alliances and destinations<br>1.2 Development of environmental and cultural resources<br>1.3 Upgrading and development of visitor services and facilities<br>1.4 Exploiting new markets and market segments<br>1.5 New route themes/hub/spokes and itineraries<br>1.6 Service delivery and visitor management<br>[Fabricius, 2001: 76] |

| CRITICAL SUCCESS CATEGORY |                            | INDICATORS OF SUCCESS |  |
|---------------------------|----------------------------|-----------------------|--|
| 2.                        | Infrastructure development | 2.1                   | Destination planning, design layout and land usage                       |
|                           |                            | 2.2                   | Public transport systems, roads, airports, rail, ports                   |
|                           |                            | 2.3                   | Bulk infrastructure, telecoms, water, electricity, recreation            |
|                           |                            | 2.4                   | Environmental and social quality enhancement                             |
|                           |                            | 2.5                   | Safety and security management   |
|                           |                            | 2.6                   | Road signage; information networks<br>[Fabricius, 2001: 76]              |
| 3.                        | People development         | 3.1                   | Skills training and education  |
|                           |                            | 3.2                   | Community tourism awareness  |
|                           |                            | 3.3                   | Customer care  |
|                           |                            | 3.4                   | Hospitality culture  |
|                           |                            | 3.5                   | Job creation   |
|                           |                            | 3.6                   | Filling competency gaps<br>[Fabricius, 2001: 76]                         |
| 4.                        | Systems development        | 4.1                   | Integrated system of information technology                              |
|                           |                            | 4.2                   | Market research and intelligence   |
|                           |                            | 4.3                   | Computerised reservation system  |
|                           |                            | 4.4                   | Management information systems<br>[Fabricius, 2001: 76; Poon, 1993: 196] |

In the above tables the main critical success factors and certain indicators of success were listed. It is not possible to list all the associated indicators in a single table. For example, the “uniqueness” of the wildlife can be determined objectively with reference to whether it exists in the same form in other locations. However, some wildlife may not be perceived by the tourist to be unique. The perceived uniqueness of some aspects of a destination often assume importance in the eyes of the tourist. Crouch and Ritchie [1993] give the following as examples: unique religious centre, unique landmark or symbol, unique historical site, unique current event site and unique cultural events. Destination management and visitors may differ in their notion of what constitutes uniqueness.

## **8.4 A COMPARISON WITH OTHER DESTINATION COMPETITIVENESS MODELS**

### ***8.4.1 Introduction***

It was found valuable in this study to compare the developed integrated model with

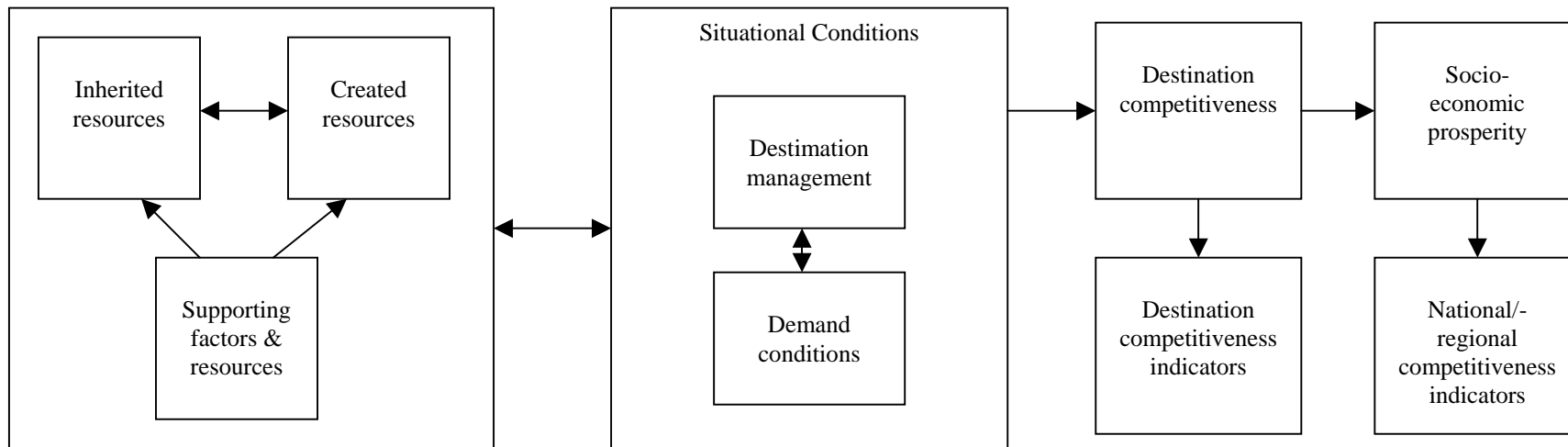
others that have been proposed by researchers. By far the most comprehensive model that has been developed previously is that of Crouch and Ritchie [2000]. The model that has been developed in this study owes much to the work of Crouch and Ritchie and has its basis in many of their ideas. A more recent model that is also based on Crouch and Ritchie's model is that of Dwyer [2001]. This model is also of great importance in that as in this study, it emphasizes the importance of integration in the model.

It is appropriate therefore to outline and compare the models to determine areas of similarity and differences between the different frameworks. Crouch and Ritchie's model was described in chapter 4. Dwyer's model will now be shortly discussed before the comparison will be made.

#### ***8.4.2 Dwyer's model of destination competitiveness***

Dwyer's model is depicted in Figure 8.5

**Figure 8.5 Dwyer's model of destination competitiveness**



**Source: Dwyer, 2001 : 49**

“Inherited and Created Resources” are each allocated their own box, as are “Supporting Factors and Resources”. These three boxes are, in turn, grouped within a larger box. Together, these factors provide the various characteristics of a destination that make it attractive to visit and indicate the foundations upon which a successful tourism industry is established. Together, they provide the *basis* for destination competitiveness.

“Destination Management” factors are, according to Dwyer’s model, those that can enhance the appeal of the core resources and attractors, strengthen the quality and effectiveness of the supporting factors and resources and best adapt to the situational conditions. The destination management category includes the activities of destination management organisations, destination marketing management, destination policy, planning and development, human resource development and environmental management.

The model contains a separate box for “Demand Conditions”. This category comprises three main elements of tourism: demand-awareness, perception and preferences. Awareness can be generated by various means including destination marketing activities. The image projected can influence perceptions and hence affect visitation. Actual visitation will depend on the match between tourist preferences and perceived destination product offerings.

“Situational Conditions” are forces in the wider environment that define the limit, or influence the potential of destination competitiveness. These forces can moderate, modify or mitigate destination competitiveness by filtering the influence of the other groups of factors and thus may be positive or negative in their influence on competitiveness.

The box representing “Destination Competitiveness” is linked backwards to the various determinants of competitiveness and forward to one representing “Regional/National Prosperity”, indicating that destination competitiveness is itself an intermediate goal toward the more fundamental aim of economic well-being for residents. Each of these objectives is associated with a set of indicators. Indicators of “Destination Competitiveness” are many and varied and comprise both subjective

attributes [destination ‘appeal’, ‘scenic beauty’] as well as those that are more objectively determined [destination market share, foreign exchange earnings from tourism]. Indicators of National/Regional Economic Prosperity relate to key macro-economic variables including productivity levels in the economy, aggregate employment levels, per capita incomes and rate of economic growth.

Dwyer’s model attempts to provide a more realistic display of the linkages between the various elements of destination competitiveness than does the Crouch-Ritchie model. The double arrows linking the separate boxes indicate two-way interactive effects. For example, a destination may create certain resources [eg. Accommodation] that harmonise with its natural assets. The types of natural assets, in turn, may determine the appropriate type of tourism infrastructure development. A destination’s core resources [inherited and created] can influence the types of “Supporting Factors and Resource’s that are developed and these, in turn, provide an important foundation for the tourism industry. Similarly, there are two-way flows between the various other major elements of the model, Destination Management and Demand Conditions.

#### ***8.4.3 Comparison of Integrated Model with the Crouch-Ritchie and Dwyer Models***

The Integrated Model of Destination Competitiveness proposed in this study shows certain similarities with but also important differences from the other two models. These similarities and differences will now be discussed:

##### ***a] Strategic management framework***

- The Integrated Model follows a strategic management framework that is consistent with contemporary strategic management theory. All the pertinent elements of this framework, namely, environmental assessment, competitive assessment, strategic direction and positioning and the identification and integration of strategies are clearly visible, links between these elements clearly explained and the integration of these thoroughly explored.

- The Crouch-Ritchie and Dwyer Models contain all the elements of the framework but inter-dependencies and integration links between these elements are not that clear.

***b]*** *Environmental assessment*

*b.1]* *International and national environmental assessment*

- In both the Integrated Model as well as in the Crouch-Ritchie Model, the international and national assessments are considered as important sources of information for the entire process and are therefore indicated as such.
- The Dwyer Model includes the macro- and micro-environment among situational conditions. Accordingly, the micro-environmental analysis of the integrated model is more a situational analysis consisting of elements such as the capabilities of strategies and competitive environments of destination firms. The macro-environmental analysis is based on the impact of global forces and corresponds with that of the other two models.

*b.2]* *Competitive assessment*

[i] Resource and factor analysis

- All three models considered resources and supporting factors as a critical element in the destination's competitiveness model. This is consistent with Porter's Competitiveness Diamond [1990: 77] which stresses the importance of basic and advanced resources and factors in competitive advantage.
- Crouch and Ritchie [1999: 137] and Dwyer [2001: 49] regard core resources and attractors as the main reasons why prospective visitors choose one destination over another. They argue that these factors provide the various characteristics of a destination that make it attractive to visit and are the foundations upon which a successful tourism industry is established.



- The Integrated Model first compares the destination's resources and factors with that of its main competitors and/or world-class conditions. The purpose of this assessment is to determine the competitive strengths and comparative advantages if the destination is compared with its main rivals. Secondly, the model identifies the characteristics and attributes that will determine the attractiveness of the destination to a particular tourist. This is part of the customer perspective of the model as it refers to the important tangible and intangible attributes and resources that are important to the prospective tourist.
- The Integrated Model also includes other factors such as demand conditions, related industry factors and strategy and rivalry factors in the assessment. The Dwyer Model includes demand conditions as well as related industry factors and strategy and rivalry under 'situational conditions'.

[ii] International market analysis

- The Integrated Model includes international market analysis as part of the competitive assessment and emphasizes the importance of considering the present and possible future market segments and the differentiating factors in each of these segments. This information then becomes important to determine marketing and promotion strategies that are part of the critical process perspective of strategy identification.
- The other two models consider market analysis as an integral part of destination marketing in the block "destination management".

[iii] International critical success factors

- Crouch and Ritchie identify five international critical success factors and name them qualifying and amplifying determinants. These factors are location, inter-dependencies, safety/security awareness/-image/brand and cost/value.

- The Integrated Model identified six international critical success factors by means of a Delphi study. The critical success factors are safety and security, unique and diverse attractions, accessibility, quality of tourism experience, and effective and collective marketing effort. The Integrated Model uses these factors as international benchmarks rather than qualifying determinants.
- The Dwyer Model incorporates the qualifying and amplifying determinants of the Crouch-Ritchie model into “Situational Conditions”. For example, awareness is included as a “Demand Condition” whereas image and brand are considered to be part of “Destination Marketing Management”. It is the researcher’s view that these are important benchmarks and that they should be used for that purpose.

*c) Strategic direction and positioning*

- In 2000 Crouch and Ritchie [2000: 3] updated their original model and added a destination policy, planning and development module. The module consists of eight major components: systems definition, stakeholders philosophy and values; vision; internal audit; positioning; development; competitive analysis and monitoring and evaluation.
- The Integrated Model considers the strategy block as the central focus of strategy identification and integration for the destination. The outcomes include shared values, shared vision, strategic position, strategic guidelines, and success factors. The information from the competitive assessment as well as other environmental assessments is fed into the process and is not an element of this process. Development and monitoring and evaluation are seen as part of the strategic management function of the destination and are included under destination management processes.
- The Dwyer Model does not provide a separate box for strategic planning for the destination but subsumes this determinant under destination management. The Integrated Model also considers strategic management an important part

of destination management but feels that strategic direction and positioning should be the central focus-point of the model.

*d] Strategic identification and integration*

*d.1] Sustainable growth*

- The Integrated Model explicitly recognises that destination competitiveness is not the ultimate end of the strategic planning process but that it is an intermediate goal toward the achievement of regional or national economic prosperity and sustainable growth. Sustainable growth is divided into two sections, namely, social factors and economic factors.
- The Crouch-Ritchie Model indicates that their process ultimately leads to competitiveness and sustainability.
- In his model Dwyer includes a separate box for socio-economic prosperity and there is therefore more clarity on the ultimate outcomes of the process than in the Crouch-Ritchie Model.

*d.2] Customer*

- All three models recognise the importance of the customer/tourist and acknowledge that customer value propositions represent the attributes that destinations provide through their products and services.
- The Crouch-Ritchie Model identifies core resources and attractors as the factors that have core appeal and that act to attract tourism. Within this group, Crouch and Ritchie highlight physiography and climate, culture and history, market ties, mix of activities, special events, entertainment and superstructure.
- Dwyer uses a similar approach but makes a distinction between inherited and created resources.

- The Integrated Model divides the value propositions of customers into three parts: customer acquisition, customer satisfaction and customer retention. The critical success factors for customer acquisition are image and unique destination attributes that will appeal to the tourist. The critical success factors for customer satisfaction are identified as quality of service and quality of experience whereas the success factors for customer retention are relationship building and customer care.
- Crouch and Ritchie classify quality of service under destination management and the emphasis is therefore more on the management of the quality of services whereas the integrated model classifies it under the customer satisfaction perspective.
- In the Dwyer Model, quality of service appears under supporting factors and resources as Dwyer regards quality and hospitality as foundations for a successful tourism industry.

*d.3] Destination management processes*

- Destination management processes refer to the management processes that can enhance the appeal of the destination, will have the greatest impact on customer value propositions and will directly contribute to the sustainable growth objectives of the destination.
- The Crouch and Ritchie Model lumps all management processes together in the category “Destination Management”, which comprises resource stewardship; marketing; finance and venture capital; organisation; human resource development; information research; quality of service and visitor management.
- Dwyer’s “Destination Management” category includes destination management organisation, destination marketing management, destination policy planning and development, human resource development and environmental management.

- The Integrated Model includes management processes under critical destination management processes. This section is similar to that of the other two models and comprises destination organisation, destination marketing, destination human resources management, destination strategic management and destination responsible management. The focus is therefore on the macro-management function of the overall destination. The term responsible management is used to include the environmental responsibility as well as the social responsibility of the destination.

*e] Learning and growth*

- The Integrated Model clearly indicates that the sustainable competitiveness of the destination is dependent on addressing learning, growth and the infra-structural development of the destination. Product, infrastructure competency and capability gaps should therefore be identified and strategies developed to address these. The learning and growth consists of five primary sources; product, infrastructure, people, systems and organisational structures and procedures.
- Although the other two models address some of these aspects neither of them clearly shows the relationship between these elements and the future development of the destination.

*f] Integration*

- The Integrated Model clearly shows how strategic information and strategic and policy guidelines should be integrated into the strategic direction of the destination. It also clearly shows the relationship and integration process between the four different strategic perspectives and the strategic direction to ensure sustainable growth and international competitiveness for the destination.
- The Dwyer Model attempts to provide a more realistic display of linkages between the various elements of the destination competitiveness category

than does the Crouch-Ritchie Model. In neither of these models are integration relationships explored to the extent that they are in the Integrated Model.

*g] Indicators of destination competitiveness*

- Both the Integrated Model and Dwyer's Model allow for selected success indicators to be included and highlighted.
- The Crouch-Ritchie Model does not make provision for the use of indicators.

## **8.5 SUMMARY**

The purpose of this chapter was to summarise the contributions of chapters 4 to 7 in a destination competitiveness model. The model seeks to capture the main elements of competitiveness highlighted in the relevant literature, while appreciating the special issues involved in exploring the notion of destination competitiveness as emphasized by tourism researchers. Associated with the model is a set of indicators that can be used to measure the competitiveness of any given destination.

The second part of the chapter compared the developed integration model with the models of Crouch and Ritchie [2000] and Dwyer [2001]. The most important advantages of the integrated model proposed in this study can be summarised as follows:

- The integrated model follows a strategic management framework that is consistent with contemporary strategic management theory [explored in chapter 4].
- The integrated model emphasizes the importance of strategic direction and strategic positioning by the development of a strategy block that serves as the “nerve centre” for the identification and integration of critical success factors [chapter 6].

- The integrated model offers a logical framework for the development and integration of critical success factors within a balanced framework that enables the model to explain the relationship between these, and show the ultimate contribution of these factors to sustainable growth and international competitiveness [chapter 7].

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