The Competitiveness of Tourist Destinations: A Review of the Scientific Literature

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Abstract: The competitiveness of tourist destinations worldwide is of vital importance for any destination that wishes to develop and improve its positioning in the global, national and/or regional market, because the actors of tourist destinations are aware that the greater the number of tourists and tourist spending in the destination, the greater the economic development that directly and indirectly affects the different actors, the ultimate objective being to improve the quality of life of the people in the community. Therefore, this study focuses on carrying out a review of the scientific literature on the competitiveness of tourist destinations, with the objective of identifying the dimensions, factors and indicators used in the different models of destination competitiveness, which can be applied to a tourist destination at the present time and have greater clarity when evaluating it. In this sense, a bibliographic review of 40 scientific articles from Scopus and Science Direct published between 2000 and 2021 was carried out, of which 29 articles were selected based on the criteria of the proposed models of competitiveness of tourist destinations, factors and indicators used. The results of the study contemplate a theoretical framework of competitiveness in itself, the competitiveness of tourist destinations and the models of competitiveness of tourist destinations, making an analysis of the differences and similarities between them; likewise, indicators used to analyze the destination are presented, and finally, studies that have used these theories and models in different countries are presented. Finally, it is concluded that the theories of the competitiveness of tourist destinations that have most influenced these models have been those proposed by Ritchie and Crouch, and Dwyer and Kim, since they have between 7 and 9 factors in common and 57 indicators.

Key words: Tourism, Comparative Advantage, Dimensions, Factors, Indicators.

1. Introduction

Competitiveness is not the only aspect that companies must take into account when designing their strategies to attract more customers or, in the case of tourism, more tourists (Lopez et al., 2023; Olavarria et al., 2023). Porter (2000) indicates that competitiveness now encompasses different areas, not only companies but also nations, with the aim of safeguarding their prosperity and/or increasing it, with value being the most requested by customers in order to achieve the longed-for customer satisfaction.

In the year 2019 according to the World Travel & Tourism Council [WTT] (2020) the tourism sector contributed 10.3% to the world gross domestic product, being this sector responsible for 1 out of every 10 jobs in the world; the World Tourism Organization [UNWTO] (2020) indicates that in the year 2019 tourism had an income of 1,481,000 million dollars; being one of the developing sectors that contributed to the economic growth of a nation. Zadeh and Kilic (2021) argue that tourism competitiveness is relevant to stimulate tourism flows to a destination and the contribution it has to the Gross Domestic Product worldwide. Therefore, different countries design strategies to attract more tourists to visit the different resources and attractions of a geographical area for a long period of time, benefiting the community, city, and country through tourism revenues.

When speaking of a destination, it is important to refer to Buhalís (2000) who mentions that the destination experience is composed of the resources located in the regions, as well as the basic and tourist infrastructure; however, destinations do not necessarily refer to a geographical area delimitation, but rather the destination is now a concept of perceptions, since it can be made up of different countries that involve a tour for several days. The most important thing about a destination is that it offers a quality product with value and that it is differentiated so that it can compete with other destinations.

1.1 Objectives

The objective of this study was to identify the dimensions, factors and indicators used in the different competitiveness models of tourist destinations so that they can be applied to a current tourist destination and have greater clarity when evaluating it. Furthermore, it is expected to know if it positively or negatively
influences tourist destinations, as well as the consequences on the actors where tourist activities are carried out.

2. Literature Review

In relation to the competitiveness of tourist destinations, this has been studied by different authors, using methodologies through interviews with experts on the subject from different countries; however, it is a topic that continues to generate controversy; for Ritchie and Crouch (2003) a destination is competitive when it focuses on "its capacity to increase tourist spending, attract more visitors and offer them satisfactory experiences" (p. 21), having a positive impact on improving the well-being of the citizens who live in the destination with a focus on preserving resources.

In this sense, there have been several studies with different approaches that are related to the competitiveness of destinations, some focus on profitability, others on economic growth, some relate destination productivity with competitiveness and others focus on the involvement of public and private tourism management participation in the competitiveness of destinations, as well as the identification of unique attributes in the destination to achieve competitiveness (Pulido and Sanchez, 2010; Cucculelli and Goffi, 2016; Knežević et al., 2015; Armenski et al., 2017; De la Peña et al., 2017; Toral et al., 2017), as well as sustainability being one of the determinants present in the tourism destination models of Ritchie and Crouch (2003) and Dwyer and Kim (2003), which are intended to be studied to know how they relate to the perspective held on the competitiveness of destinations, and whether these models vary depending on the resources and attractions, as well as infrastructure and tourism services that a destination has.

On the other hand, when reviewing the theory on the competitiveness of tourist destinations there is talk of destination dimensions, determinants and factors, for such case Ritchie and Crouch (2003) speak of dimensions explaining that the Competitiveness of tourist destinations is multidimensional by the magnitude that covers the analysis, indicating that the traditional investigations are focused on the economic dimensions in relation to the strength and performance of tourist destinations; in that same orientation Dwyer, et. (2004) citing Crouch and Ritchie, 1999, reveal that there are certain determinants for a destination to achieve a certain level of competitiveness, indicating that basic resources and support factors are the fundamental elements for achieving this objective.

The interesting thing about studies on competitiveness will be to determine which of these factors of destination competitiveness coincide and which of these should be considered in new models of tourism destination competitiveness.

3. Methods

Likewise, a bibliographic review was conducted of 40 scientific articles from the Scopus and Science Direct databases that published between 2000 and 2021, from which 29 articles were selected based on the criteria of the proposed tourist destination competitiveness models, factors and indicators used.

4. Results and discussion

4.1 Competitive

When talking about competitiveness it is difficult not to mention Michael Porter (2000), who indicates that although there are differences in the competitiveness of each country, no nation can or will be competitive in all sectors, not even in most of them. The competitiveness of a nation is complex, for this reason it is difficult to give a definition of it, however Porter (2000) indicates that the concept that could give importance at the country level is that of productivity, where a nation must reach a high level of competitiveness in the life of its population, generating more labor, producing quality products and services, adding value to compete in its sectors, which is why productivity must be constant, that is, nations and/or sectors must be continuously improving their productivity, to achieve advanced competitiveness.

For Schwab (2017) in The Global Competitiveness report 2017 – 2018, through the World Economic Forum, states that the definition of competitiveness made since 1979 is still valid, which indicates that competitiveness is “A set of factors, policies and institutions that determine the level of productivity of a country” (p. 7). On the other hand, Crouch and Ritchie, (1999) indicate that competitiveness translates into the creation of well-paid
jobs and the generation of the necessary resources for the provision of services, so that the prosperity of a society must be sought at the national level through competitiveness.

The theory of comparative advantage is focused on the diversity of production factors such as the difference in labor, difference in surface area, resources in general, whether inherited or created, which could mean specialization to generate trade; on the other hand, Porter presents a new theory that is competitive advantage where he explains that comparative advantage is based only on factors which are limited, while competitive advantage incorporates spatial differences in making effective use of factors (Ritchie and Crouch, 2003).

In relation to the factors, Porter (1990) divides these factors into five categories: human resources, capital resources, knowledge resources, physical resources, and infrastructure, but Ritchie and Crouch (2003) suggest expanding to a category additional related to the tourism issue such as historical and cultural resources and that the tourist superstructure is included in the infrastructure category, since although comparative advantages involve the available resources of a tourist destination, they also relate to the ability of a destination to use these resources effectively in the long term.

4.2 Competitiveness of Tourist Destinations

Currently, tourist destinations are increasingly designing marketing strategies aimed at improving the competitiveness of tourist destinations due to the existing competitiveness, which is why Buhalis (2000) states that the commercial management of a destination is complex due to the variety of people involved in the sector, but it is very necessary especially in the development plans of the destination.

The conceptualization of the competitiveness of tourist destinations as stated above is complex due to the breadth of actors involved and the expansion of determining factors to achieve competitiveness. To date there are some definitions such as the one provided by Dupeyras and MacCallum (2013), where he points out that competitiveness is the ability of the place to optimize its attractiveness for residents and tourists; however, a definitive consensus has not yet been reached.

For Ritchie and Crouch (2003), competitiveness without sustainability is illusory, since destinations essentially compete in attracting tourist expenditures focused on the development of tourism, showing the place as an attractive destination to live, do business and invest through an efficient destination management, with its sustainability as its pillar, preserving not only nature and wildlife but also cultures for future generations, which makes it difficult to conceptualize the concept of a tourist destination.

On the other hand, Dwyer and Kim (2004) state that destination competitiveness trends are related to the management of the private and public sector and other internal and external variables, and it will be up to managers to identify the elements that the destination requires to compete. with others. In addition to ensuring that its general attractiveness and tourist experience are superior to the many alternative destinations, since the total experience of the tourist or visitor is what is really important for competitiveness, this being a challenge for destinations.

Hassan (2000) explains that the development of destinations depends on sustainable customer-based management, taking advantage of comparative advantages in an efficient and effective manner and to achieve the permanence of the destination and face the challenges of tourism, since it defines competitiveness of destinations such as the destination’s ability to create and integrate value-added products that sustain its resources and maintain its market position relative to competitors.

For the competitiveness of tourist destinations, Ritchie and Crouch (2003) are based on economic dimensions focused on tourism expenditure, however, the competitiveness of a destination also involves dimensions related to social and cultural strengths, policies focused on social well-being, technological and environmental, strengths that have been considered due to changes in the macro environment.

Dwyer et. al, (2004) make a classification of eight determinants to explain their theory of competitiveness of tourist destinations, which make up the proposed model, these being: basic resources, support factors, destination management, demand conditions, market conditions. environment which are closely related to competitiveness directly related to the flow of visitors to the destination, the greater this flow, the greater the economic movement, benefiting all actors in their income and that of their families. These determinants will be explained in greater detail when the Dwyer and Kim model is presented.
4.3 Competitiveness Models of Tourist Destinations

When talking about models of competitiveness of tourist destinations, it is essential to talk about the model presented by Ritchie and Crouch (2003), which is a theoretical model developed inductively and composed of factors and sub-factors accompanied by the comparative advantage of a destination, which also refers to the inherited and created resources that are possessed and the competitive advantages focused on generating value to the tourist experience, with the objective of having a greater preference for visiting the place; these advantages, according to the author, should be studied with other factors, indicating that the interaction of the factors depends exclusively on the conditions in which a destination is located and that these are variables due to the factors of the global macro environment and micro environment, and on the other hand the customers that should be considered as the center of attention of the micro environment, the competition, the public that basically would be the stakeholders, the author also emphasizes indicating that the internal environment of the destination affects its competitiveness, since it is important that the actors work together.

The model also includes the Basic Resources and Attractors factor, Ritchie and Crouch (2003) divide them into seven categories: physiography and climate, culture and history, market linkages, activity mix, special events, entertainment and tourism superstructure, which represent these basic resources and attractors as the fundamental reasons why potential visitors choose one destination over another; however, if the destination does not have supporting factors and resources, it will be difficult for it to achieve tourism development in the shortest possible time. This factor is composed as the first subfactor of infrastructure and accessibility to the destination, where the destination must offer the visitor an efficient and effective transportation system to generate confidence in the traveler. Other sub-factors are facilitating resources and companies, the latter must be willing to invest in the destination and this will happen if these investments are motivated by economic stability promoted by governance, political will becoming one of the supporting sub-factors and finally the subfactor of hospitality, which must be oriented to provide an unforgettable experience to the visitor.

Another of the central factors in the Ritchie and Crouch (2003) model is that of policy, planning and development of the destination, made up of the sub-factors: definition of the system, philosophy and values, vision, positioning and branding, development, analysis competitive and collaborative, monitoring and evaluation and auditing; as they indicate that there must be a strategic or policy-driven framework for the planning and development of the destination with specific economic, social and other objectives as an intended outcome can serve as a guide for the direction, form and structure of tourism development. Such a framework can help ensure that the tourism development that occurs promotes a competitive and sustainable destination while meeting the quality-of-life aspirations of those who reside in the destination.

The other factor presented in the Ritchie and Crouch (2003) model is destination management, which is made up of: organization, marketing, quality of the service experience, information and research, human resources administration, capital, capital management. visitors, resource management and administrative crisis, this factor of the model is one of those that focuses on activities oriented to the policy and planning framework of the destination as well as providing support for the previous factors, which are basic resources and attractors, to the support factors and resources, because this factor lands with projects, programs, systems, processes that are worked on in the destination.

the determining qualification and development factor presented in the Ritchie and Crouch (2003) model is made up of sub-factors: location, safety and security, cost-value, interdependence, image awareness and accessibility, these factors are also called situational conditioners because its effects on the competitiveness of a tourist destination are to define its scale, limit, or development potential. The authors state that, depending on the case of the location sub-factor, in certain cases it determines the visitor’s decision due to the proximity of the destination and even more so if it has great attractiveness; Likewise, another of the sub-factors that will influence the choice of the destination is the security and protection that will be provided to the visitor, social conflicts, wars or other problems that may be happening in the destination will be negative aspects for their eligibility, as well like not having a good image and awareness of the destination. The ideal is for tourists to perceive the destination positively. Another of the sub-factors belonging to the determining qualification and development factor is cost-value, Ritchie and Crouch (2003) divide it into three factors: The cost of transportation to and from the destination; the currency exchange rate (in the case of international travel); and the local cost of tourism goods and services.
Another model of destination competitiveness is the one presented by Dwyer et. al, (2004) who classified eight determinants in the model, being these basic resources made up of inherited and created resources which can be divided into natural, cultural, gastronomic, among others, and the supporting factors are related to infrastructure, accessibility to the destination, quality of services, hospitality and communication with the market; the next determinant is related to the management of destinations, where the main role is played by the destination stakeholders who are responsible for improving the quality and efficiency of resources and supporting factors; This determinant has been extensively studied by Marketa (2020) who determines that a solid governance is common in developing countries, but development patterns differ from one country to another and that the challenge of destination management is given due to the change of government since this may differ according to the policy implemented, on the other hand it is imperative to understand how the competitive environment works if you want to reach a development of tourism activity.

Another determinant is the demand conditions, which is made up of three important elements, which according to (Dwyer, et. al, 2004) are: awareness, perception, and preferences, which depend on the implementation of marketing strategies to achieve a positive perception and preferences to visit a place. The next determinant is to review how the external environment influences the destination, I call this determinant the environmental conditions, expressed by D’alessio (2008) as PESTE + C analysis, representing each initial of the word by political, economic, social, technological and ecological and Competitiveness is added, these conditions directly affect the attributes of the competitiveness of destinations as also asserted in his research Gomez and Picazo (2019).
Another model is presented by Goffi (2013), which is made up of the following boxes: policy, tourism planning and development, destination management, conditioning and support factors, general infrastructure, main resources and key attractors, tourism services and demand. Goffi (2013) explains that tourism policies guide the development of a competitive destination in the long term and destination management is focused on economic profitability and avoiding the deterioration of tourist areas; likewise, the conditioning and support factors are related to the facilities provided by the destination to enter the place; infrastructure is the support for tourism activity as well as demand, which according to the model is focused on promoting respect for culture and heritage and care for the environment.

A model of competitiveness of tourist destinations oriented to sustainability is that of Hassan (2000) which is oriented on the experience of tourist destinations that are number one in relation to tourist arrivals, income and tourist expenditures, which were based on focusing their strategies on long-term environmental sustainability to achieve tourism development, this model Hassan (2000) classifies it into determinants, which are: Cultural aspects, Political factors, Technological changes and Socioeconomic factors, coinciding with the dimensions of Ritchie and Crouch (2003) and the determinants of Dwyer et. al (2004).

In addition, Hassan’s model (2000) presents at the center of the model the competitive market based on sustainable tourism, which depends on comparative advantage, demand orientation, industry structure and
commitment to the environment, since the author indicates that destinations must compete with other globally competitive destinations to reach the most experienced visitors to attract them. The model is shown below.

**Figure 4: Determinants of market competitiveness in Hassan’s environmentally sustainable tourism industry.**

A review of the four models of competitiveness of tourist destinations indicates that there are determinants that are found in all and in more than 02 models of destination competitiveness, which leads to the inference that these determinants must be taken into account if the competitiveness of a destination is to be known; the determinants that coincide in the models are the analysis of the macro environment, comparative advantage and competitive advantage, support factors and resources, attractions and basic resources, destination management and the determinant of demand conditions, the latter Ritchie and Crouch (2003) do not consider it as a determinant in their model, and only Hassan’s model (2000) considers the determinant of environmental care, these last two determinants should be considered in the model; the above is detailed in the following table.

**Table 1: Determinants and/or factors of the models of competitiveness of tourist destinations according to authors’ coincidence.**

<table>
<thead>
<tr>
<th>Determinants and/or Factors</th>
<th>Authors</th>
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<tbody>
<tr>
<td>Macroenvironment</td>
<td>Crouch y Ritche (2003), Dwyer, et. al. (2004), Hassan (2000)</td>
</tr>
<tr>
<td>Microenvironment</td>
<td>Crouch y Ritche (2003)</td>
</tr>
<tr>
<td>Comparative advantage</td>
<td>Crouch y Ritche (2003), Dwyer, et. al. (2004), Hassan (2000)</td>
</tr>
<tr>
<td>Competitive advantage</td>
<td>Crouch y Ritche (2003), Dwyer, et. al. (2004)</td>
</tr>
<tr>
<td>Supporting factors and resources</td>
<td>Crouch y Ritche (2003), Dwyer, et. al. (2004), Goffi (2013), Hassan (2000)</td>
</tr>
<tr>
<td>Attractiveness and basic resources</td>
<td>Crouch y Ritche (2003), Goffi (2013)</td>
</tr>
<tr>
<td>Destination management</td>
<td>Crouch y Ritche (2003), Dwyer, et. al. (2004), Goffi (2013)</td>
</tr>
<tr>
<td>Destination policy, planning and development</td>
<td>Crouch y Ritche (2003), Goffi (2013)</td>
</tr>
<tr>
<td>Qualification and development determinants</td>
<td>Crouch y Ritche (2003)</td>
</tr>
<tr>
<td>Demand conditions</td>
<td>Dwyer, et. al. (2004), Goffi (2013) y Hassan (2000)</td>
</tr>
<tr>
<td>Environment</td>
<td>Hassan (2000)</td>
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</table>
4.4 Competitiveness Indicators of Tourist Destinations

The models explained above are made up of determinants or factors that, if they do not work together, it will be difficult for destinations to achieve competitiveness; each of these determinants has indicators that will allow the destination to be diagnosed and evaluated, Molinar et al. (2015) compiled 28 theoretical and empirical articles related to the competitiveness models of tourist destinations, grouping the indicators into:

- Number of visitors, evolution of the number of visitors (occupancy rate and tourist spending), occupancy rate, length of stay, tourist spending, income per available room, Social well-being (distribution of income from tourism, contribution of tourism to economic growth), conservation and increase in market share, comparison with competing destinations, conservation of natural resources and cultural, efficiency, loyalty (positive behavioral intentions, attachment to the tourist destination)

On the other hand, one of the models that clearly detailed the indicators according to the determinants of competitiveness is that of Goffi (2013), which consists of 57 indicators related to determinants such as basic resources and attractors; the quality and quantity of tourist services; basic infrastructure that would support tourism activity such as communication systems, medical care center, among others; Another determinant is the conditions and supporting factors where the accessibility to the destination is found, as well as the management capacity of tourist destinations; in the policy, planning and tourism development determinant there are indicators such as clear policies in relation to economic development, environmental care and visitor satisfaction management; and the determinant of demand factors focuses on proposing respect for values and culture as well as care for the destination by the visitor.

Mendola and Volo (2017) conduct research on the indicators of the competitiveness of tourist destinations, indicating that these indicators are used by different studies regardless of the location, the segment of the destination or the types of resources it has, adding that Comparative and competitive advantage indicators are of limited usefulness for destination managers and planners. With which the question arises, if all these indicators will allow us to evaluate all destinations, whether they are focused on mass, rural or cultural tourism, it is important to further expand the research on the indicators to have greater certainty for their utilization.

5. Conclusion

The present study began with the review of different theoretical and empirical articles, working with the deductive method on the competitiveness of tourist destinations, starting from the definition of competitiveness focused on the territory. The purpose of the essay was to identify the dimensions, factors and/or determinants that are present in competitiveness models, concluding that the most studied models are those of Ritchie and Crouch (2003), Dwyer and Kim (2003) and that of Hassan (2000). And most of these are based on the dimensions of Macroenvironment, followed by the determinants of comparative advantage, competitive advantage, infrastructure, destination management and sustainability, which are also studied in empirical research; Therefore, it is recommended to take these determinants into account as fundamental when using them for competitiveness studies of a tourist destination.

It is important to mention that, as indicated by different studies, the competitiveness of tourist destinations is a multidimensional theory and its application in the evaluation of the competitiveness of a destination will vary depending on its characteristics, therefore remains a topic to be studied. It should also be noted that the indicators are a fundamental part of the evaluation of the competitiveness of the destinations, since they were used according to what we wanted to highlight and according to the characteristics of the destination.

Finally, this research could serve as a basis for future research that wishes to know the competitiveness models of the most representative tourist destinations to date and empirical research that expands the analysis of competitiveness, taking into account the determinants of the models separately for a better understanding.

References


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