“Tourism destination competitiveness models”

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TOURISM DESTINATION COMPETITIVENESS MODELS

Abstract

Nowadays tourism is one of the few branches which creates jobs in the big Bulgarian cities and big tourist centers as in the rural and mountain areas, providing variety of opportunities for over fifty kinds of specialists from different ages. In those frames, the aim of this paper is to unveil, analyze and evaluate the possibilities for enhancing its competitiveness at destination level trough a sustainable planning model. The object of study is the competitiveness of tourism destination Bulgaria according to The Travel & Tourism Competitiveness Index. We have combined the expert method and the method of observation, applicable for the analysis of competitiveness, as well as the adopted Index methodology. Moreover, together with its comprehension, the paper suggests a model for sustainable planning and development for the surveyed tourism destination.

Keywords tourism destination, competitiveness, sustainable development, model, Bulgaria

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INTRODUCTION

Competitiveness issues and paths of its development loom large as a significant to tourist destinations. Furthermore, together its debate inevitably modelling might be associated with. Although, tourist destinations theory continues to need a strong conceptual justification, a number of models have been applied to tourist destinations since the late 60's. Literature review indicates that the latest result out of many exploratory quests of leading tourism academics and experts worked independently, without recognizing / or an attempt to construct on previous efforts. Thus, the theory known models such this by Campbell (1967), Mariot (1969), Yokeno (1974), Rajotte (1975), Miossec (1977), Greer and Wall (1979), Dann et al. (1988), Pearce and Butler (1993), Ritchie and Crouch (1993), Buhalis (2000), Ritchie and Crouch (2003), Dwyer et al. (2003), Dwyer and Kim (2003). However, the most frequently cited and popular in tourism is the Calgary model for tourism competitiveness assessment, model proposed by Ritchie and Crouch (1993). Looking at the patterns of competitiveness in tourism, attention should be paid to model of Keizer-Vanhove (1999). Dwyer et al., (2003) also have contributed to the tourist destinations competitiveness shaping. In fact, the purpose of the models is well explained by Getz et al. (1998), whom stressed that they play a crucial role, allowing theorists and practitioners to describe and grasp the complexity of the real world, to achieve order, interpret information and to explain, understand and predict subjectivity and its manifestation in tourist destinations establishment and development. To his statement can be added and the competitiveness, as an integral component of the overall destination image.

1. LITERATURE REVIEW AND METHODOLOGICAL ISSUES

Plenty elaborations related to tourism competitiveness examine physical indicators such as the number of room nights, number of tourists / guests, tourism share in commerce and in the foreign trade balance, its share in the GDP and so on. In the meantime, it was observed that the tourism sphere boundaries are very taxing to determine, since the sector consists of enterprises from adding on spheres. This enables an easy favored analysis and assessment of the competitiveness of individual hotels, restaurants, etc., but do not examine the competitiveness of tourism intermediaries and organizers. There are integrated models for assessing competitiveness, handled and model Porter's five forces analysis of competitiveness. The World Economic Forum officially assesses the competitiveness of tourist destinations by WEF model assuming that an economy which has a certain raw materials presumably is competitive. Their combination in an appropriate option can generate useful output and facilitate enhanced competitiveness.

The approach for competition and competitiveness actually differentiates by interdisciplinary, especially in the sphere of tourism. Analysis of so far publications in this area shows serious researches on separate aspects of competition and competitiveness of tourist product (Ribov, 1996; Ritchie & Crouch, 1997). But in the same time, a certain deficit of scientific information about the competitiveness of tourist destinations in Bulgaria could be outlined. And, if in separate researches attention is focused to the destinations for sea tourism, such researches in the area of mountain and ski tourism are missing in the country. Because of this, the present research is an attempt for competitiveness analysis and brings out the main criteria and indicators for competitiveness.

As an instrument for measuring the competitiveness of tourist destinations, Monitoring of competitiveness shows interest too. It has been developed as a result of common work between WTTC and TTRI with participation of Cristel de Haan from University of Nottingham. The monitoring follows basic indicators for competitiveness and it is being updating every year. Second basic research of the world competitiveness is the Report for global competitiveness (GCR), published by World economic forum (Travel & Tourism Competitiveness Report, 2009). Developed by Sash and Mc Arthur (2001), the Report includes an index of competitiveness. In it, there is combination of three important categories: macroeconomic environment, quality of public institutions and technologies. The index of competitiveness of business is popular too. It has been developed by Rorter (2000). Through this index is established the difficulty of operations and strategies in companies and the quality of national business environment. The world yearbook of competitiveness (WCY), published by Institute of manager development (IMD) is similar to GCR and analyses the ability of people to create and maintain environment which could should support competitiveness of companies. It measures competitiveness within the range of four basic factors, and namely – economic effectiveness, managing of efficiency, business effectiveness and infrastructure. Another scope measure instrument of competitiveness includes Regional indicators for competitiveness in Great Britain and OECD Science, Technology and Industry (STI) Scoreboard (Gooroochurn & Sugiyarto, 2004).

2. RESEARCH RESULTS

In accordance to the frame of this study, analysis of the competitiveness of the tourist destination at the level of state is displayed by the Index of competitiveness of the tourism industry, represented by the World Economic Forum – WTF. The Index by itself serves two purposes – first, offering comparative characteristic of countries developing tourism in the method of cross-country analysis providing useful information for decision-making regarding future industry development in particular countries. Next but not least, the Index focuses tourism planners attention to those aspects of the industry which need substantial change. Promoting effective dialogue between public and private sector should increase national level of competitiveness. As it is commonly renowned, access to the published WEF annual reports is free with the idea to serve as a primary management tool on both business and governmental level towards creating conditions for sustainable tourism development.

The index of competitiveness of the tourism industry measures the factors and policies that contribute to increasing the competitiveness of the tourism sphere in countries which develop it with priority – from 113 (2008) up to 141 (2015) overall. All of them fall within the scope of the study. Developed within the framework of cooperation between the airline industry and the tourism and the travel sector the World Economic Forum index is a result of the efforts of numerous companies, institutions and international organizations.

The index of tourism competitiveness, estimated by the World Economic Forum at 2015 brings the most highly competitive three European countries – Spain, France and Germany at the top, followed by the United States. In 2015 (as opposed to the previous three periods) Switzerland yielded first rank which already is occupied by Spain with index value of 5.31, followed by France (value of 5.24) at the second rank, Germany (value of 5.22) at the third and USA (value 5.12) at the fourth rank.

The period following the report of 2009 (competitiveness reports of 2011, 2013 and 2015), reveals alteration in international tourism industry competitiveness picture. For example, it is noteworthy that the sector of travel and tourism worldwide is slowly recovering from the aftermath of the last economic crisis, as the World Economic Forum data registered greater recovery in emerging economies and some offsetting weakness in the developed European and North American markets (World Economic Forum, Report 2013). In such aspect the following edition of "The Travel & Tourism Competitiveness Report" is reflected by industry's evident desire to develop new market segments attracting in the meantime new customers. Furthermore, it has been also apparent that an upward worldwide development in travel and tourism is largely sustainable (The Travel & Tourism Competitiveness Index, 2015).

As for 2015 Bulgaria as a tourist country occupies 49 rank in competitiveness at global classification and 28 rank at European, while in 2009 it was 29 and in 2013 – 31 position (Table. 1).

For the period 2008–2015 destination Bulgaria's rank has remained relatively unchanged (respectively 50th, 48th, 50th spot and 49th). Despite the fact that the country has rich natural and cultural heritage, the total value of tourism industry competitiveness index has been diminished dramatically. At pillar 1, Bulgaria occupies 85th rank (out 58th for 2013) with value of 4.22. Furthermore, at pillar 2 – 78th rank respectively (out 45thfor 2013) and value of 5.24. If we look at the country's rank for pillar 3 which is 5 (out 53th for 2013) with value of 6.70. Contrasting the previous idioms, in the

Table 1. Tourism industry Competitiveness Index: European Region, 2015

Source: World Economic Forum Report, 2015.

Countries	Regional ranking	World ranking	Index value
Spain	1	1	5.31
France	2	2	5.24
Germany	3	3	5.22
Great Britain	4	5	5.12
Switzerland	5	6	4.99
Italy	6	8	4.98
Austria	7	12	4.82
Holland	8	14	4.67
Portugal	9	15	4.64
Island	10	18	4.54
Bulgaria	28	49	4.05
Latvia	29	53	4.01
Lithuania	30	59	3.88
Slovakia	31	61	3.84
Romania	32	66	3.78
Moldova	37	111	3.16

methodology of the Index for 2015 was included fourth subindex "Natural and Cultural resources". It was measured by two pillars, respectively for natural resources and cultural resources together with business trips. With respect to these, destination Bulgaria ranked accordingly to 48th rank with a value of 3.44 and 54th rank with a value of 1.96.

3. DISCUSSION

The figures quoted above, outline the key areas within tourist destination Bulgaria needs improvement. Namely, the transport infrastructure – pillar 11 as well as the conservation of natural and cultural heritage – pillars 13 and 14. Of a particular significance are the efforts for establishing a positive public image of destination Bulgaria in Europe and all over the world following its particularly low in output measured assessment for 2015 – 95th rank (out of 141 ranks) and value of 4.18 in column 6.

As Hall (2005) affirms "tourism is an industry built on selling image and fantasy" and in order to ensure sustainable development of Bulgarian tourism, building up a positive public image will provide synchronization between the tendered tourism product and contemporary consumers' tourist services requirements (Stankova &Vasenska, 2013). More precisely the focus should be placed on future public and private sectors management policies formulation. Thereby done in 2009 the above stated ascertainment remains valid, although it should be emphasized the treaded drastic improvement – especially in regards to pillar 3

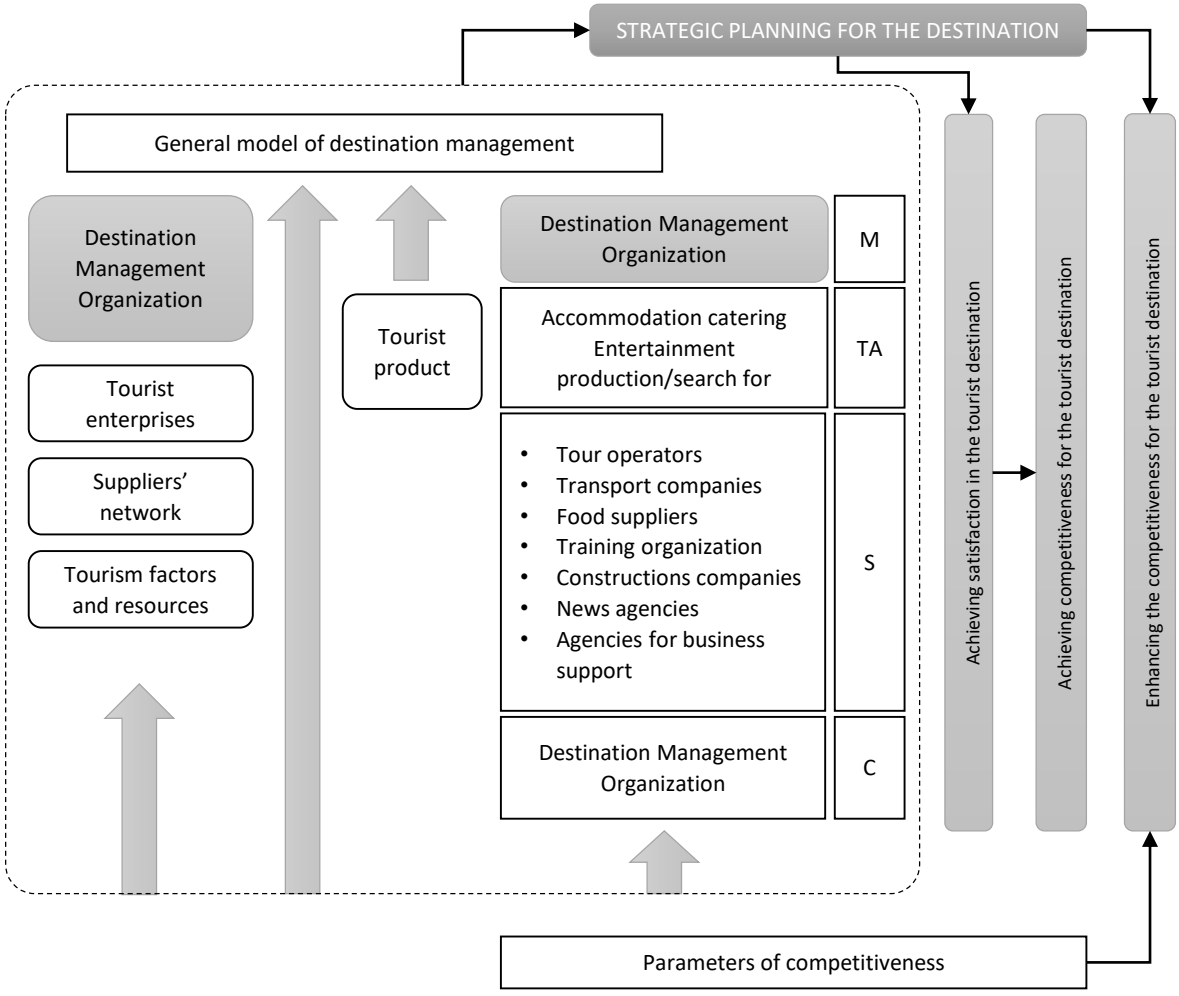

Figure 1. Model for increasing the competitiveness of tourist destination

Note: M – Management: TA – Basic tourist activities; S – Additional chains to support tourism; C – Use of competitive advantages

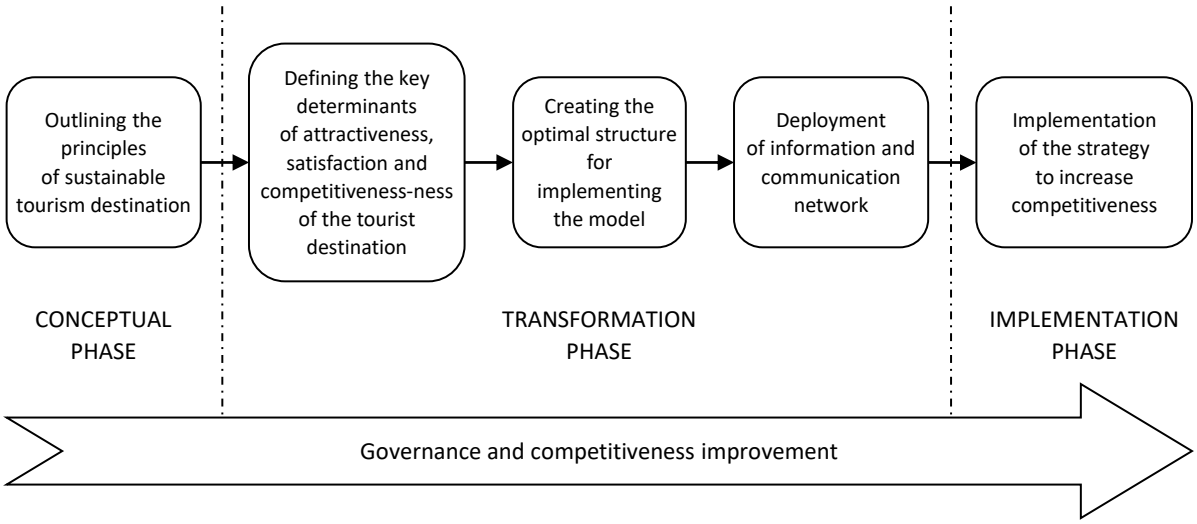

Figure 2. Consistency in application of the model to enhance the competitiveness of the tourist destination

with value 3.96 (2009) and 4.10 (2013) to the current value of 6.70 ascertained for 2015. It is, however, ascended descent – in pillar 1 where from 58th rank (2013) the destination's ranking dropped to 85th and in pillar 2 accordingly from 45th (in 2013) to 78th in 2015. These lower values here testify to decreased resource quality, allocated for providing the business environment, health, human resources, labor, safety and security and raise the question of the need to seek causes and subsequently for its provisioning. As the dynamism of the economic activity and changes in the regulations, cause sometimes substantial deviations between actual and expected financial situation of enterprises (Hadzhikotev, 2013). Affected are important state policies such as national security and the economy, tourism and education, sustainability of the environment and above all the tourism prioritization within the destination.

The dynamic changes in the tourist environment make it necessary to search for new solutions (Filipova, 2010). Taking into consideration the analysis, this study is attempting to prove the statement that, in terms of tourism destination indicators growth and sustainable development, economic principles do need better tools of destination manage, in order not only to sustain but to increase at any time its competitiveness. Their achievement can be implemented only by adopting a comprehensive approach for implementation and development of a competitiveness managing model and its tools that will boost it. In the case of Bulgaria – together with the fact that the forecasts for monthly volume of the tourism receipts in Bulgaria continuously increase by March 2025 which should result in a greater pressure from the Bulgarian tourism industry (Dimitrov et al., 2015).

Figure 1 illustrates the model for tourist destination competitiveness enhancing. At the same time Figure 2 provides a selection, development and implementation of the appropriate management strategy.

Development and implementation of the model, in general terms, follows the conceptual framework proposed by Dwyer et al. (2003) for tourist destination Australia. The approach to the development of this part of the study is based on "Service Quality" concept and actually perceived frame model "Importance- Satisfaction" to a specific variation, according to competitiveness particularities. In the contemporary circumstances, the values of the modern consumer are justified by the growing leisure time by the aspiration for greener lifestyle, from the possibility for social networking and the need of living more actively and consciously. In these conditions, innovation, application of modern technologies and recent advances of scientific and technological developments are key determinants that can provide growth, quality productivity and competitiveness of tourist destinations. According to Usheva (2010), unsuccessful management leads to fail in work of the organization or company and to an inability to achieve the objectives and tasks.

Concerning Bulgaria's competitiveness the list of tangible and intangible World Cultural and Natural Heritage (UNESCO, 2015) includes eleven Bulgarian locations. This ranks Bulgaria 21st in the world in competitiveness of cultural resources (Ministry of Economy, Energy and Tourism, 2013). According to UNESCO statistics (2015), Bulgaria is on seventh place in Europe after Italy, Spain, Great Britain, Greece, Portugal and Sweden in the number of valuable archaeological monuments. Moreover, the rich natural diversity of flora and fauna of this country (43 reserves); over 160 Eastern Orthodox monasteries, vast amount of other churches and monuments; over 330 museums and galleries; the unique, ancient and medieval artefacts and landmarks (the oldest processed gold (dated from the VI century BC) discovered near Varna, the ancient city Perperikon – considered by experts archaeologists as one of the greatest temples of Dionysus, the valley of the Thracian kings – The ancient capital of the Thracian king Seuthes III dated on more than 2000 years; Thracian mounds (between 10000 to 60000), of which revealed are about 1000 tombs and Thracian treasures; rich ethnographic heritage and cultural calendar, our authentic crafts festival and ancient traditions and customs practiced preserved and practiced as it is today forms of various traditional and contemporary cultural events related to intangible heritage and contemporary culture are only part of the resources that Bulgaria possesses and which can satisfy the needs of modern travelers, who according to recent outlined tourism demand trends, prefer more lucrative offers for their money seeking knowledge, authenticity in tourism experiences.

Regardless of the objective insurmountable obstacles for competitiveness improvement, such as poor road transport infrastructure, lack of innovation, high levels of corruption, etc. Bulgaria has many advantages to become a competitive tourist destination. These advantages application will allow the identified low priority influencing parameters to be "strengthened", so that the destination is more attractive and fulfilling tourists' needs and requirements which will certainly help its competitiveness incensement.

CONCLUSION

Unlimited expansion of tourism supply and markets inevitably leads to intensification of competition, continuous production improvement and tourism product competitiveness increasing. Summarizing the research, we can state that the established correlation between production and competitiveness has emerged as a powerful engine that ensures success for businesses in the tourist market. For its creation contributed mostly modern traveler's growing demands to the current tourism products, its quality and price, to attraction immediate surrounding conditions and services, to the transport facilities to and within destinations. Hence attention has being paid to the analysis and assessment of competitiveness, its methods, approaches and insurance policies and tourist destination improved governance. In this regard, this study should be considered as an attempt to outline destination Bulgaria competitiveness at regional and global scale. And at the same time, in order to achieve competitiveness increasing the offer for implementation of its governance model is given. Finally, it was considered, that tourism industry as outlined priority to the Bulgarian economic development, still lacks a result-oriented governance concept.

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