



THE HONG KONG  
POLYTECHNIC UNIVERSITY

香港理工大學

Pao Yue-kong Library

包玉剛圖書館

---

## Copyright Undertaking

This thesis is protected by copyright, with all rights reserved.

**By reading and using the thesis, the reader understands and agrees to the following terms:**

1. The reader will abide by the rules and legal ordinances governing copyright regarding the use of the thesis.
2. The reader will use the thesis for the purpose of research or private study only and not for distribution or further reproduction or any other purpose.
3. The reader agrees to indemnify and hold the University harmless from and against any loss, damage, cost, liability or expenses arising from copyright infringement or unauthorized usage.

If you have reasons to believe that any materials in this thesis are deemed not suitable to be distributed in this form, or a copyright owner having difficulty with the material being included in our database, please contact [lbsys@polyu.edu.hk](mailto:lbsys@polyu.edu.hk) providing details. The Library will look into your claim and consider taking remedial action upon receipt of the written requests.

**THE HONG KONG POLYTECHNIC UNIVERSITY  
SCHOOL OF HOTEL AND TOURISM MANAGEMENT**

**Exploring Destination Competitiveness From A Social Development  
Perspective: Evidences from Southeast Asia**

**Miguela Monica Maniago Mena**

**A thesis submitted in partial fulfillment of the requirements for the degree of  
Doctor of Philosophy**

**August 2006**



**Pao Yue-kong Library  
PolyU • Hong Kong**

## **CERTIFICATE OF ORIGINALITY**

I hereby declare that this thesis is my own work and that, to the best of my knowledge and belief, it reproduces no material previously published or written, nor material that has been accepted for the award of any other degree or diploma, except where due acknowledgement has been made in the text.

---

**Miguela Monica Maniago Mena**

## ABSTRACT

Asia-Pacific region has become an increasingly important tourist destination and now ranks second behind Europe in terms of total visitors, surpassing the Americas in 2001. Southeast Asia has a strong potential to capitalize on international tourism growth and to participate in the strong regional growth trends in the Asia-Pacific region. The rapid expansion of both international and domestic tourism in Southeast Asia increased the awareness of the need for a comprehensive view of the social, economic, cultural, environmental and political issues, processes and problems related to tourism development and to understand its dynamics and impacts. This study attempted to serve two purposes: (1) to gain a better understanding of destination competitiveness by exploring its factors from a social development perspective; and (2) to develop a conceptual model showing the interrelationships of destination competitiveness and a destination's development goals. This study sought to build on previous research suggesting that competitiveness, however measured, centers on human development, growth and improved quality of life. The results of the Delphi survey indicate that in order to achieve and sustain tourism competitiveness in the region the key fundamental elements of competitiveness should be developed and managed properly by the country destinations of Southeast Asia. The panel experts considered the core resources and attractors, the supporting factors and resources, destination management, and demand conditions as the most important for the Southeast Asian country destinations. A framework derived from the results of the experts survey was proposed illustrating the interrelationships between the processes and outcomes of tourism and development. The processes and outcomes of tourism serving as a catalyst for a destination's future economic and social development depends on the destination's state of human development. For Southeast Asia, there appears to be a link between human development and tourism competitiveness. In the absence of a more comprehensive and adequate database to build on the identified indicators of destination competitiveness, monitoring tourism development using the tourist intensity rate and the human development of the country destinations using the composite index HDI can provide insights on the progress towards achieving tourism competitiveness.

Key words: tourism competitiveness, human development, tourism in Southeast Asia, destination competitiveness

## **DEDICATION**

This dissertation is dedicated to the memory of  
my loving parents,  
Atty. Severino M. Mena Jr. and Dra. Caridad M. Mena,

## ACKNOWLEDGEMENTS

Thank you, God, for all the blessings, wisdom, strength, health and patience you have given me. But most of all, thank you God, for teaching me that

*For every pain, that we must bear,  
For every burden, every care, THERE'S A REASON  
For every grief, that bows the heart,  
For every teardrop that is shed, THERE'S A REASON  
For every hurt, for every plight,  
For every lonely, pain racked night, THERE'S A REASON  
But if we trust YOU, as we should,  
It all will work out for our good, YOU KNOW THE REASON.*

Finishing this dissertation would not have been possible without the support and assistance of many people. I would be taking a big risk of forgetting someone if I go the way of listing all of them so I would like to express my deepest appreciation and gratitude to all the people, friends, families, staff in UPAIT and HKPU-SHTM who have extended, unconditionally, their support, guidance, keen interest, expert advice, encouragement, kind words, friendship and love.

However, I would like to extend a very special “thank you” to my adviser, Prof. Kaye Chon. Words are inadequate to express my overwhelming gratitude for having you as my adviser. I am thankful that I was given a supervisor who has no limits in wisdom, patience and selfless concern for nurturing the academic and professional development of his students.

Finally, I would like to specially thank Ms. Athena Mak and Ms. Antonia Wong for all the assistance they have given me all throughout my extended study period in Hong Kong.

Thank you very much to all of you!  
(Maraming salamat sa inyong lahat!)

## Table of Contents

Certificate of Originality	ii
Abstract	iii
Dedication	iv
Acknowledgements	v
Table of Contents	vi
List of Appendices	viii
List of Tables	ix
List of Figures	x
CHAPTER 1	
1.0 Introduction	1
1.1 Background of the Study	1
1.2 Problem Motivating the Study	6
1.3 Purposes of the Study	10
1.4 Significance of the Study	11
1.5 Methodology of the Study	12
1.6 Scope and Delimitation of the Study	13
1.7 Conceptual Definitions of the Study	15
1.7.1 The Concept of Tourism	15
1.7.2 The Concept of Tourism Product	20
1.7.3 The Concept of Tourism Destination	22
1.8 An Outline of the Study	25
1.9 Summary of the Chapter	26
CHAPTER 2	
2.0 Literature Review	27
2.1 The Notion of Competitiveness	27
2.2 The Conceptualization of Destination Competitiveness	42
2.3 Measuring Destination Competitiveness	66
2.4 Destination Competitive Strategies	72
2.5 Social Development Theory	76
2.6 Social Aspects and Outcomes of Tourism and Development	79
2.7 Tourism and Residents' Quality of Life	85
2.8 The Capability and Human Development Approach	92
2.9 Human Development Indicators	94
2.10 Southeast Asia: The Study Area	95
2.11 Tourism in Southeast Asia	104
2.12 Summary of the Chapter	115
CHAPTER 3	
3.0 Research Methodology	119
3.1 Phase 1 – Framework of Tourism Competitiveness for Southeast Asian Country Destinations	123

3.2	Phase 2 – Monitoring Progress Towards Tourism Competitiveness of Southeast Asian Country Destinations	132
3.3	Summary of the Chapter	138
CHAPTER 4		
4.0	Research findings	139
4.1	Proposed Framework of Tourism Competitiveness	139
	4.1.1 Research Findings from the Delphi Survey	139
	4.1.1 Proposed Tourism Competitiveness Framework for Southeast Asian Countries	154
4.2	Monitoring Progress Towards Tourism Competitiveness of Southeast Asian Countries By Tracking Human Development	159
	4.2.1 The Statistical and Development Indicators of Southeast Asia	159
	4.2.2 State of Human Development in Southeast Asia	162
4.3	Summary of Chapter	173
CHAPTER 5		
5.0	Summary, Conclusion and Recommendations	176
5.1	Summary of Findings	176
5.2	Conclusion and Recommendations	185
5.3	Limitations and Suggestions for Future Research	190
5.4	Concluding Comments	192
	REFERENCES	193



## **LIST OF APPENDICES**

Appendix 1	List of ASEAN NTOs and Invited Panel Members	208
Appendix 2	Letter of Invitation to Panel Members	210
Appendix 3	Invitation Materials for Delphi Survey	212
Appendix 4	Round I Survey Questionnaire	216
Appendix 5	Round II Survey Questionnaire	219
Appendix 6	Round III Survey Questionnaire	224

## LIST OF TABLES

Table 1.1	International Tourism Arrivals and Receipts (1970-2004)	2
Table 1.2	World's Top Tourism Destinations by International Tourist Arrivals	4
Table 1.3	Changes in Arrivals and Expenditure Between 1990 and 2000 By Country Group	4
Table 1.4	Travel and Tourism Demand of Selected Asian Countries	5
Table 2.1	Indicators Suggested to Understand and Measure Competitiveness	29
Table 2.2	Themes of Destination Competitiveness Literature	45
Table 2.3	Aspects of Tourism Development Affected by Economic Development Level	65
Table 2.4	Different Measures of Destination Competitiveness	70
Table 2.5	Probable Impacts of a Successful Tourism Development Program on a Typical Tourism Destination	83
Table 2.6	Total Population and Land Area, By Country, 2000, 2005, 2010, 2015 (medium variant)	99
Table 2.7	Annual Population Growth Rate, By Country, For Selected Periods (medium variant)	99
Table 2.8	Population Density (per sq. km.), By Country, 1995, 2000, 2005, 2010 (medium variant)	100
Table 2.9	Urban Population, By Country, 1980-2005	101
Table 2.10	Economic Growth (GDP at constant prices), By Country, 1996-2003 (% change)	103
Table 2.11	Sectoral Composition of GDP, 2003 (% share)	103
Table 2.12	Total International Visitor Arrivals to Southeast Asia, By Country, 2002-2004	107
Table 2.13	Top Fifteen Tourist Generating Market to ASEAN, 2000 & 2004	107
Table 2.14	International Tourism Receipts of Southeast Asia, By Country, 2001 & 2002	109
Table 3.1	Membership of the Delphi Panel	129
Table 4.1	Round I Results – Identified Factors of Tourism Competitiveness in Southeast Asia	142
Table 4.2	Round II Results – Average Rating of Identified Factors/Indicators of Tourism Competitiveness in Southeast Asia	144
Table 4.3	Round III Results - Most Important Factors of Tourism Competitiveness in Southeast Asia	147
Table 4.4	Key Fundamental Elements of Tourism Competitiveness in Southeast Asia	152
Table 4.5	Most Important Criteria in Assessing Success of A Tourism Destination	153
Table 4.6	Human Development Indicators for Countries in Southeast Asia	164
Table 4.7	HDI Rankings of Southeast Asian Countries, 1991-2004	165
Table 4.8	HDI Trends in Southeast Asia, 1975-2003	166
Table 4.9	Correlation Values for Tourist Arrivals/Receipts and HDI Southeast Asia	167

## LIST OF FIGURES

Figure 1.1	The Tourism Phenomenon: Components of Tourism and Tourism Management	21
Figure 2.1	Porter's Competitive Diamond	32
Figure 2.2	Destination Competitiveness and Sustainability Model	52
Figure 2.3	The Integrated Model of Destination Competitiveness	58
Figure 2.4	The Sustainable Destination Competitiveness Model	61
Figure 2.5	The International Destination Competitiveness Model	63
Figure 2.6	Map of Southeast Asia	97
Figure 2.7	Total International Visitor Arrivals to Southeast Asia, 1992 – 2004	106
Figure 2.8	Number of Intra-ASEAN Travel, 1994-2004	108
Figure 4.1	Framework for Tourism-Development Integration: Basic Elements	154
Figure 4.2	Illustrated Version of Tourism-Development Integration Framework	155
Figure 4.3	Framework of Tourism Competitiveness and Development Interrelationships	156
Figure 4.4	Framework of Tourism for Development	157
Figure 4.5	Plot of HDI and International Visitor Arrivals, Southeast Asia, 2003	168
Figure 4.6	Plot of HDI and Tourist Receipts, Southeast Asia, 2003	169
Figure 4.7	Plot of HDI and Tourist Intensity Rate, Southeast Asia, 2003	170

## **Chapter 1**

### **1.0 Introduction**

The introduction provides background information on which the research is based, specifies the problem motivating the study, defines the objectives and contributions of the study, describes the research methodology framework, delineates the scope, delimitations and organization of the study, and discusses the conceptual definitions used in the study.

### **1.1 Background of the study**

Tourism is not a new phenomenon, the concept of mass tourism dates back around the 19<sup>th</sup> century (Harrison, 2001). It is reputed to be the world's largest industry and a powerful vehicle in providing nations with the resources they badly need. It has been tagged as the world's largest employer because of its potential to create jobs and its accessibility to young people, women and small entrepreneurs. As disposable income and free time increase in developed countries, the industry continued to expand faster than average world economic growth (UNWTO, 2001). Statistics from the World Tourism Organization (UNWTO) reveal that total international tourist arrivals in 1970 to 2004 have grown from 166 million to 763 million while tourist receipts grew from US\$17 billion to US\$623 billion representing a remarkable rate of an annual average of seven per cent in terms of tourism arrivals and twelve per cent in tourist receipts (refer to Table 1.1). Although domestic tourism statistics is not as readily available and reliable as that of international tourism, UNWTO estimates that there are almost three times as many domestic as international tourists.

Table 1.1 International Tourism Arrivals and Receipts (1970-2004)

Year	Arrivals (000,000)	Receipts (in US\$ billions)
1970	166	17
1980	284	103
1990	456	261
2000	699	455
2003	691	523
2004	763	623

Source: UNWTO

In terms of economic contribution, the World Travel and Tourism Council (WTTC) estimated that travel and tourism generated in 2004 US\$ 5,490.4 Billion of economic activity (total demand) with a direct impact of:

- 3.8% contribution to Gross Domestic Product (GDP) amounting to US\$ 1,542.1 Billion; and
- 73, 792, 500 jobs representing 2.8% contribution to total employment

WTTC further estimated travel and tourism real impact and it is even greater:

- 10.4% of total GDP amounting to US\$ 4,217.7 Billion;
- 214,697,000 jobs or 8.1% of total employment, which is 1 in every 12.3 jobs;
- 12.2% of total exports (US\$ 1,289.8 Billion);
- US\$ 802.3 Billion capital investment; and
- US\$ 265.3 Billion of government expenditures

Travel and tourism demand is expected to grow by 4.5% per annum in real terms between 2004 and 2014. WTTC worldwide forecasts for 2006 include:

- The industry is expected to grow 4.6 per cent (real terms), to total US\$6.5 trillion in 2006.
- The 10-year annualized growth (2007-2016) forecast is 4.2 per cent per annum, demonstrating an outlook for strong long-term growth.

- Visitor exports are expected to grow to nearly US\$900 billion in 2006 due to increases in international travel. This increase represents real growth of 6.5 per cent.

The travel and tourism industry is expected to represent 3.6 per cent of total Gross Domestic Product (GDP) in 2006. When considering both the direct and the indirect contributions to the world economy – e.g., including growth for tourism-related businesses, such as cleaning companies and caterers – the industry is expected to total 10.3 per cent of GDP in 2006.

Aside from the remarkable growth in international tourism arrivals, there was also a diversification of destinations during the past decades. While in 1950 fifteen countries, all of them from Europe plus USA and Canada, accounted for over 90% of total international tourist arrivals, in 2004, their share of the market had fallen to less than 50%. On the other hand, many developing countries saw their tourist arrivals increase significantly. Table 1.2 presents the world's top tourism destinations by international tourist arrivals from 1950 to 2004.

Because of its potential to provide foreign exchange earnings, fiscal revenues, services sector jobs, and backward linkages to industry, tourism has become a prominent element of the development strategies in many developing Asian nations (ADB, 2002). Developing countries are attracting an increasing share of global international tourist arrivals up from 20.8% in 1973 to 42% in 2000 (UNWTO, 2002:10). Between 1990 and 2000, the greatest growth in arrivals was seen in developing countries (refer to Table 1.3). Developing countries increased their international arrivals by 94% and their tourism expenditure by 133% within a decade.

Table 1.2 World's Top Tourism Destinations by International Tourist Arrivals

Rank	1950	World Share	1970	World Share	1990	World Share	2004	World Share
1	USA	71%	Italy	43%	France	38%	France	34%
2	Canada		Canada		USA		Spain	
3	Italy		France		Spain		USA	
4	France		Spain		Italy		China	
5	Switzerland		USA		Hungary		Italy	
6	Ireland	17%	Austria	22%	Austria	19%	UK	14%
7	Austria		Germany		UK		HK (China)	
8	Spain		Switzerland		Mexico		Mexico	
9	Germany		Yugoslavia		Germany		Germany	
10	UK		UK		Canada		Austria	
	Others	12%	Others	35%	Others	43%	Others	51%
Total	25 million		166 million		456 million		703 million	

Source: UNWTO, *Sustainable Tourism and Poverty Alleviation*, 2004; *Asian destinations on the rise in world tourism ranking*, 2005b

Table 1.3 Changes in Arrivals and Expenditure Between 1990 and 2000 By Country Group

Country grouping	Increase in international arrivals between 1990 and 2000	Increase in tourism expenditure between 1990 and 2000
OECD	39%	64%
EU	38%	49%
Developing countries	94%	133%
Least developed countries	79%	154%

Source: UNWTO, *Tourism and Poverty Alleviation*, 2002

Bryden (1973) considered a “tourist country” as one in which tourism accounts for more than 10% of foreign exchange earnings or over 5% of GDP. By 2004, most of Asia is a “tourist country” following Bryden’s definition and the WTTC estimates (refer to Table 1.4).

Table 1.4 Travel and Tourism Demand of Selected Asian Countries

	Travel and Tourism Demand, 2004	
	US\$ Million	% of GDP
East Asia		
China, PRC	222851	<b>11.4</b>
Hong Kong, China	43562	<b>12.4</b>
Taipei, China	29066	<b>5.1</b>
Macau, China	4649	<b>61.3</b>
Japan	470940	<b>8.8</b>
Korea, Rep. Of	69940	<b>7.7</b>
South East Asia		
Brunei	709	<b>10.1</b>
Burma (Myanmar)	21267	3.3
Cambodia	640	<b>10.5</b>
Indonesia	30301	<b>10.3</b>
Lao People's D.R.	280	<b>9.2</b>
Malaysia	24311	<b>14.7</b>
Philippines	10136	<b>7.4</b>
Singapore	21598	<b>9.7</b>
Thailand	29357	<b>12.2</b>
Viet Nam	6029	<b>8.1</b>
South Asia		
Bangladesh	2819	3.7
India	38824	4.9
Maldives	570	<b>74.1</b>
Nepal	801	<b>8.9</b>
Pakistan	5373	<b>5.0</b>
Sri Lanka	2934	<b>10.8</b>

Source: World Travel and Tourism Council, 2004

Various factors have contributed to the expansion of international tourism. These factors were (1) the growth of world population; (2) the increasing affluence of many nations; (3) the expansion and diversification of travel motivations and expectations; (4) the great technological achievements in information and communication; (5) the fierce competition between an increasing number of tourist destinations; and (6) the deregulation movements (Wahab and Cooper, 2001). In addition, an increase in the number of destinations on the supply side and international travelers on the demand side emerged because of globalisation (Baloglu and Erickson, 1998).



As tourism further escalates, it has become into a fiercely competitive business for all destinations in the world. In order to make tourism a viable economic development strategy, all countries need to ensure that they have the necessary level of competitiveness (Dwyer, 2001: 30). UNWTO defines competitiveness as “the capacity of a destination to compete successfully against its main rivals in the world, to generate above average levels of wealth, and to sustain this over time at the lowest social and environmental cost”. The constantly growing number of destinations and the enhanced quality of existing ones put great pressure on destination managers to find better ways to compete in the tourism marketplace and to do so in a sustainable manner. The first step in achieving this goal is to identify and better understand the factors that are needed for destinations to successfully develop tourism and be able to compete effectively with other tourism destinations.

## **1.2 Problem motivating this study**

A number of studies have introduced and applied the concept of competitiveness in the area of tourism destinations (Bordas, 1994; Buhalis, 2000; Crouch and Ritchie, 1999; d’Hartesse, 2000; Fabricius, 2001; Kim and Dwyer, 2002; Go and Govers, 1999; Hassan, 2000; Heath, 2003; Jonker, 2004; Kozak, 2001; Kozak and Rimmington, 1999; Mihalič, 2000; Pearce, 1997; Ritchie and Crouch, 1993; Yoon, 2002). Although these studies have added to the understanding of destination competitiveness, their major interest has been to investigate how destination competitiveness can be sustained as well as enhanced (Yoon, 2002). The dynamic and complex nature of how destinations achieve competitiveness and sustainable growth in tourism remains unclear (Kim and Dwyer, 2002). Most of

these studies focused their investigations in developed countries. It has been said that the nature or direction of change within a developed society is different to that of less developed society (Sharpley, 2002). Beeton (2003) pointed out her concerns regarding research on destination competitiveness that is primarily undertaken in developed countries. She emphasized that marketing and management of many destinations involve other elements such as investment generation and migration. “A society’s level of economic development is a major determinant of the magnitude of tourist-demand because the economy influences so many critical and inter-related factors” (Boniface and Cooper, 1994: 10). “Tourism in a country is both a manifestation of its economic development level and a means to promote further development. Economic development level affects virtually all aspects of tourism development, including the size and features of tourism demand, the availability and adequacy of tourism resources, the objectives and characteristics of tourism development, the organization and management of the industry, and the impacts of tourism development.” (Liu, 1998: 21)

“Southeast Asia became one of the fastest growing regions for tourism globally, in terms of both intra-ASEAN travel and travel to the region from other parts of the world” (UNWTO, 2002, as cited in Mena and Chon, 2004: 4). “The region, however, has seen several severe challenges since the 9/11 incident. Terrorism, the war in Iraq, the outbreak of the Severe Acute Respiratory Syndrome (SARS), natural disasters, and political conflicts threatened the region’s economies and undermined its growth prospects. Now more than ever before, governments in the region recognize that tourism development has to be handled appropriately in order to achieve its potentials in providing for economic development within local communities.” (Mena and Chon, 2004: 4) Apparent in the region is the common

interest in the use of tourism development as a principal strategy for economic growth amidst its existing “social, economic and political conditions (e.g. widespread poverty, unemployment, international debt, shortages of foreign exchange and national prestige)” (Hitchcock, King and Parnwell, 1993: 23). The countries in the region have allocated substantial resources and devoted great expectation on the industry. In the past decade, both international and domestic tourism rapidly expanded, however, “tourism in Southeast Asia has often recklessly wasted its resources in the early stages of its development” (Cohen, 1999: 7). Achieving and sustaining tourism competitiveness has become an increasing challenge for the destinations in the region.

Another important consideration in understanding destination competitiveness is that it is a dynamic phenomenon. “The factors affecting destination competitiveness are constantly changing” (De Keyser and Vanhove, 1994: 22). Very few destinations remain unchanged for very long since many destinations are deliberately changing in anticipation of, or to reflect changes in customer preferences (Butler, 1997). This was evident in Southeast Asia where many destinations have experienced changes on the supply side of tourism, as well as, changes in demand trends. Cohen (1999) cited some of these changes in tourism he observed in Southeast Asia, namely, the growth of vacationing; the rise of “contrived” tourist attractions; emergence of domestic tourism; the beginnings of regionalisation; and the concern with sustainability. The rapid expansion of both international and domestic tourism in Southeast Asia increased the awareness of the need for a comprehensive view of the social, economic, cultural, environmental and political issues, processes and problems related to tourism development and to understand its dynamics and impacts.

In order for tourism to contribute to the economic, social, and environmental development of the Southeast Asian countries, their tourism industry should perform better than other destinations in producing and delivering goods and services important to the satisfaction of the various travel markets (international, as well as, domestic). For the developing and least developed nations in the region, it is imperative that achieving tourism competitiveness and improving tourism performance should translate to more economic and social benefits to tourism providers, developers and local residents of the destination.

Given the new challenges faced by the Southeast Asian countries and the enormous potential of tourism as a catalyst for the region's future economic and social development, the following questions arise:

- How can country destinations in Southeast Asia achieve destination competitiveness?
- How can country destinations in Southeast Asia monitor progress towards achieving destination competitiveness?

To fully address and answer the aforementioned research problems, the following sub-problems were identified:

- a) What are the different factors that determine successful tourism performance of a destination?
- b) What are the nature and the extent of these factors?
- c) Which of these factors are critical success factors for the country destinations in Southeast Asia?
- d) How do these factors of destination competitiveness interrelate with the countries' economic and social development goals?

- e) What existing tourism and social development indices can be used to monitor the progress towards destination competitiveness of the Southeast Asian countries?

### **1.3 Purposes of the study**

This study attempted to serve two purposes: (1) to gain a better understanding of destination competitiveness by exploring its factors from a social development perspective; and (2) to develop a conceptual model showing the interrelationships of destination competitiveness and a destination's development goals. This study sought to build on previous research suggesting that competitiveness, however measured, centers on human development, growth and improved quality of life and that destination competitiveness is itself an intermediate goal towards a more fundamental aim of socioeconomic well being for residents (Dwyer and Kim, 2003).

More specifically, the objectives of the study were:

- To critically analyze the contemporary literature on destination competitiveness;
- To examine tourism development in Southeast Asian countries and identify the most important factors that determine their competitiveness in tourism; and
- To explore the feasibility of monitoring the progress towards destination competitiveness using available tourism and human development indicators.

#### **1.4 Significance of the study**

This study was significant and contributed to the body of knowledge in tourism both in theoretical and practical standpoints.

Basically the study contributed to the theoretical enhancement of the current level of knowledge in the existing tourism literature on destination competitiveness. This was achieved by exploring the concept of destination competitiveness from a social development perspective and by developing a comprehensive framework of destination competitiveness based on an extensive literature study and an experts' survey particularly in the context of developing economies. The framework derived identifies the most important factors of destination competitiveness for the country destinations in Southeast Asia and illustrates the interrelationships and interaction between the processes and outcomes of tourism factors on one hand, and development factors on the other. Existing destination competitiveness models do not reflect these interrelationships and interaction between destination competitiveness and development processes and outcomes. Since little research has focused on destination competitiveness in the context of developing countries, this study could provide new insights about how destination competitiveness could be achieved or improved by destinations with similar level of tourism and social development as country destinations in Southeast Asia.

In terms of its practical contribution, the findings of the study provided tourism stakeholders in Southeast Asian country destinations with a framework to understand and work towards a common view regarding the destination's strategy for tourism development and achieving a sustainable improvement in the residents' economic and social well-being. The development of a competitive tourism industry in the region is critical. A tourism competitiveness framework and a method to

evaluate progress towards achieving tourism competitiveness within the context of prevailing economic and social conditions of the different countries in the region may be able to provide these destinations with a conscious way of developing a profitable and sustainable tourism industry.

### **1.5 Methodology of the study**

To achieve the purposes and objectives of this research, both a literature study and an empirical investigation were undertaken. The study involved both qualitative and quantitative methods.

The initial step in the research effort was to undertake a comprehensive study of literature in the fields of tourism destination competitiveness, business competitiveness, strategic planning in the tourism industry, and competitive tourism destination planning and marketing. A comprehensive study of literature was also undertaken utilizing both published and unpublished information on all aspects pertaining to tourism development in the different countries of Southeast Asia.

The empirical investigation comprised of two parts. The qualitative method was first employed to explore and develop the framework of tourism competitiveness in the context of Southeast Asian destinations. The Delphi approach was used to achieve this objective and a consensus among tourism experts was taken regarding the key success factors of tourism competitiveness and their relative importance. The results of the experts survey combined with the results of the comprehensive literature review served as inputs in the development of the tourism competitiveness-social development framework.

Methodological tool from previous literature, specifically, the case study research was conducted in developing the procedural frame for monitoring progress towards achieving tourism competitiveness.

## **1.6 Scope and Delimitation of the study**

This study was concerned primarily on gaining a better understanding of the concept of destination competitiveness in the context of developing countries with specific focus on the country destinations in Southeast Asia. This emanated from the researcher's experience with the evolutionary pattern of tourism development in region and the perception of tourism processes and outcomes as a citizen of the region. For the purposes of this study, the tourism destination explored was the geographical area of the ten country destinations in Southeast Asia (e.g. Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam) individually and as a network of country destinations that offers a unique cluster of attractions, products and services that are consumed under the brand name of the different country destination or the Southeast Asian region. The different country destinations are currently being promoted individually and collectively as one tourism destination.

The type of investigation conducted was characterized as exploratory and qualitative. Gordon and Langmaid (1988: 3) stated "qualitative research is best used for problems where the results will increase understanding, expand knowledge, clarify the real issues, generate hypotheses, identify a range of behaviour, explore and explain consumer motivations, attitudes and behaviour, identify distinct behavioural groups, provide input to a future stage of research or development." In this study, qualitative research provided an opportunity to explore destination



competitiveness with the target audience of tourism stakeholders in developing countries and gain insight into what and how they think and feel regarding the concept under study. The most important limitation of qualitative research is that the findings cannot be directly generalized to the larger population being studied. However, qualitative research seeks to understand the complexity as a more accurate reflection of reality and reality is seen as inherently subjective. The focus of this study is on understanding different perceptions, aspirations and interests and how these influence the accounts of “facts” and “events” rather than attempting to reduce them to one version of reality. Thus, in the study, it does not mean that the country destinations in Southeast Asia are representatives of all developing countries nor does it mean that what the Southeast Asian country destinations experienced and what works for these country destinations will be similar to other developing country destinations. This study was undertaken to better comprehend the nature of achieving destination competitiveness in the context of developing countries since very few studies have been conducted in this area and more information is needed for the development of a viable theoretical framework of destination competitiveness. This study could have identified the important factors of destination competitiveness that may be used in generating hypotheses for future research. In addition, the conceptual framework developed in this study may be of benefit to other developing countries in understanding how to achieve destination competitiveness.

This study obtained experts’ opinion using the Delphi technique and conducted on a specific time period. Generally, in the tourism literature, tourism stakeholders include residents, tourists, and tourism experts such as people who are involved in organizations, associations, destination management and attractions such

as the respondents for this study. However, this study was not able to include residents' and tourists' opinions of factors determining destination competitiveness. Residents and tourists may express different perceptions, attitudes and views concerning the issues and topics presented in this study. The study's findings is limited because the sample used in the experts' survey is not representative of all the tourism stakeholders in the region.

It was not the purpose of this study to criticize past and existing approaches to tourism development in the different country destinations of Southeast Asia and this study did not undertake an analysis of tourism performance vis-à-vis the competitive strategies of the country destinations in Southeast Asian for specific tourism market.

## **1.7 Conceptual definitions used in the study**

### **1.7.1 The Concept of Tourism**

Many definitions for tourism have been reported in different academic studies or professional practice but no definition has become widely recognized by researchers or practitioners (Leiper, 1995). Different perspectives held by individuals, businesses, organizations, governments, and host communities resulted to several overlapping ideas and views about tourism. Tourism has been defined “as a sector of regional and national economies”; “as an industry”; “as a market”; “as an environmental complex”; and “as a system” (Leiper 1995). Tourism has been viewed in a variety of ways and primarily, in terms of the different elements it is associated with.

In 1942, Professor W. Hunziker defined tourism as “the sum of the phenomena and relationships arising from the travel and stay of non-residents, in so

far as they do not lead to permanent residence and are not connected with any earning activity” (Hunziker as cited in Hudman and Hawkins, 1989:4). In 1963, the distinction between two kinds of visitors – tourists and excursionists was incorporated.

Robinson (1976:54) described a tourist as “a person traveling for more than a day to any place other than where he normally lives”. Young (1973:1) utilizes a broader definition saying that a tourist is “someone who travels away from home”. Burkart and Medlik (1981) suggest both the journey and stay, outside the normal place of residence and work and if it is temporary, can be defined as tourism.

In order to establish the essential elements of the tourist activity, the definition cited by Mathieson and Wall (1982) was considered in this study. They suggest that tourism activity relates to: “the temporary movement to destinations outside the normal home and workplace, the activities undertaken during the stay and the facilities created to cater for the needs of the tourist” (Mathieson and Wall, 1982:1). This definition conveys the following essential elements of tourist activity (Cooper, Shepherd and Westlake, 1994: 32):

- Tourism arises out of a movement of people to, and their stay in, various destinations;
- There are two elements in tourism – the journey to the destination and the stay at the destination (including activities undertaken there);
- The journey and the stay take place outside the normal place of residence and work, so that tourism gives rise to activities which are distinct from the resident and working populations of the places through and in which they travel and stay;

- The movement to destinations is temporary and short term in character – the intention is to return home within a few days, weeks or months; and
- Destinations are visited for purposes other than taking up permanent residence or employment.

Chadwick (1994) provided a similar meaning and identified three main components of tourism: (1) the movement of people; (2) a sector of the economy or industry; and (3) a broad system of interacting relationships of people, their needs and services that respond to these needs.

Different academic disciplines have used various approaches in studying the tourism phenomenon. The various approaches to the study of tourism produced different models of tourism. Gunn (1979) has developed a model reflecting the influence of the external environment (i.e. political economic, physical, natural, and cultural) and the two-way relationships between the various elements of the system (i.e. attractions, tourists, services/facilities, transportation, and information direction). Gunn emphasized the mutual influence that certain elements have on each other and importance of the various facets of the tourism system.

Leiper's (1981) framework of tourism suggests a simple three-fold approach – generating region, transit region and destination region. Murphy's (1983) model concentrated on looking at the psychological factors that influence demand (motivations, perceptions and expectations) and how these demand criteria are linked by the intermediaries in the market place (i.e. travel agencies and tour operators) to the supply of tourist facilities.

Mathieson and Wall (1982) depicted a more complex representation of the tourism system. They identified the dynamic, static and consequential elements of the tourism system. The dynamic element is the demand for all types of tourism.

The static elements are the characteristics of the destination (including political, environmental, economic influences) and the tourist (including socio-economic characteristics, type of activity and length of stay characteristics) that combine to constitute the destination, the pressure on the destination (in terms of length of stay, types of activity and levels of activity) and carrying capacity. The impacts of tourism are seen as the consequential element of the tourism system and this refers to the physical, social and economic impacts of tourism which need to be controlled by comprehensive management and planning policies.

The model by Westlake (1985) emphasized the central role of transport in linking demand for tourism with its supply. Westlake focused on the importance of the communication process between market and destination and highlighted the importance of planning and development strategies at the destination or resort to minimize the impact of tourism and maximize the positive significance of tourism activity.

Mill and Morrison (1992) suggested that the traditional tourism operation framework consists of four parties collaboration: (1) travel (transportation); (2) market (tourists); (3) destination (attractions, facilities and services); and (4) marketing (information and promotion). Their model had a market-orientated view of the tourism system with consumer behaviour as the determining factor.

Lundberg et. al. (1995:4) defined tourism as “an umbrella concept” and believed that tourism is an economic activity, yet it covers several dimension other than economics. The “complex” of tourism incorporated various dimensions and sectors of different interests, the interaction among these variables and the consequences of touristic activities. Lundberg et. al. (1995) proposed a model comprising of ten components under the tourism rubric. These components

included: restaurants, accommodations, transportation, destination development, travel research, travel expeditors, recreation facilities, tourist attractions, government offices and miscellaneous. Their model has the strength of covering the major components of tourism under the business and / or economic umbrella. McKercher (1999), however, redefined tourism using a chaos approach. He argued that tourism is a complex system under which the interrelationship between players and variables are so complicated that it is almost impossible to control. He suggested a model with nine elements: (1) travelers; (2) communication vectors; (4) other tourism-related externalities; (5) considerations; (6) external tourism agencies; (7) non-tourism related externalities; (8) destination or internal tourism community; (9) rogues and outputs.

The concept of tourism has broadened into holistic interpretations that resulted to the modeling of tourism as a system (Leiper, 1993). Key elements of these holistic and interrelated models include (Gunn and Var, 2002: 9):

- Tourism is not a discipline; instead it is a multidisciplinary field;
- Tourism is generated by two major powers – demand and supply;
- Within demand is a diversity of traveler interests and abilities;
- Within supply are all the physical and program developments required to serve tourists;
- Tourism includes many geographic, economic, environmental, social, and political dimensions;
- Tourism is not an industry; it is made up of a great many entities as well as business.

The model developed by Goeldner et. al. (2000:25) captured the components of the tourism system, as well as the key processes and outcomes that occur within

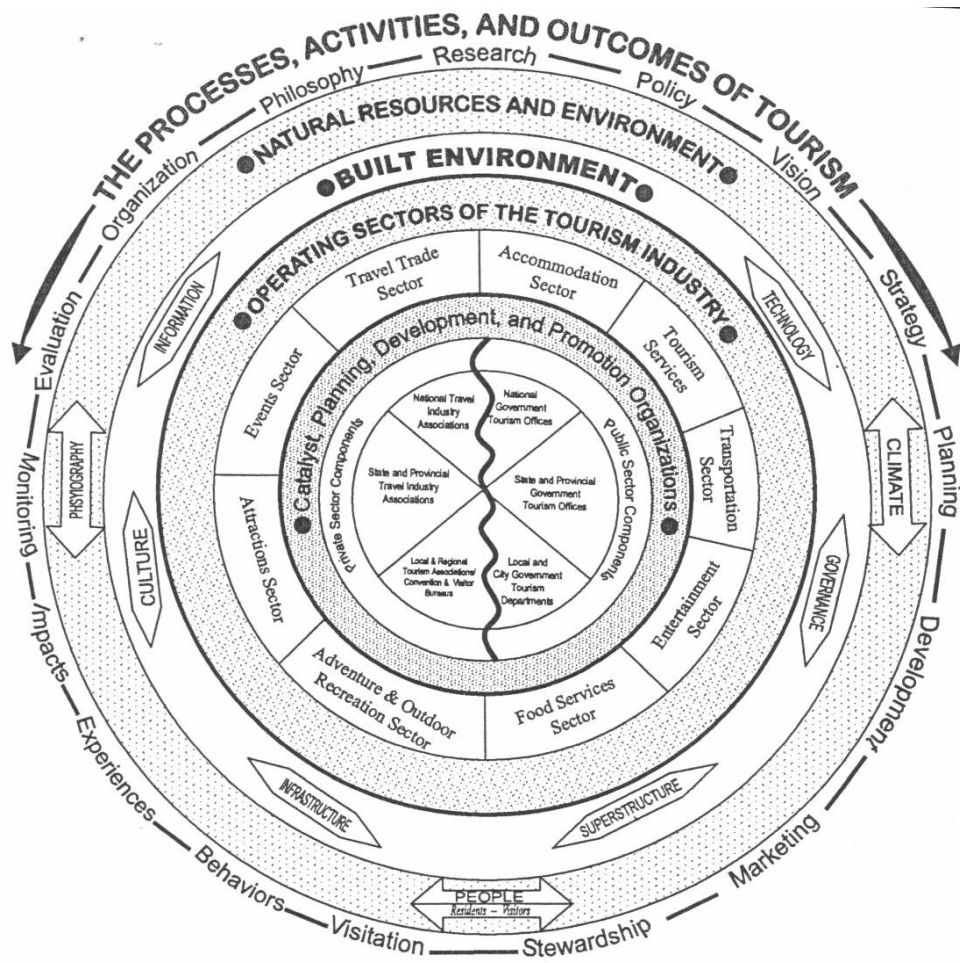
tourism. Figure 1.1 depicts and describes the complexity of the relationships among the many components of tourism.

The conceptual model of tourism adopted for this study was the Goeldner et al. (2000) tourism model since it defines the overall structure, composition and range of processes that give rise to tourism and shows that a cyclical pattern exist with regards to the processes, activities and outcomes of tourism. The model reflected the elements of the tourism system and the complexity of the interrelationships among the many components of tourism.

### **1.7.2 The Concept of Tourism Product**

Along with the concept of tourism, it is also important for this study to analyze the concept of tourism product.

Medlik and Middleton (1973:201) conceptualize tourism product as a bundle of activities, services and benefits that constitute the entire tourism experience. This bundle consists of five components: destination attractions, destination facilities, accessibility, images and price. Middleton (1989: 51) also observes that the term “tourist product” is used at two different levels. One is the “specific level” which is that of a discrete product offered, such as a sightseeing tour or an airline seat. The other is the complete experience of the tourist from the time of leaving home to the time of returning. The “total” level is synonymous with Medlik and Middleton’s “components model”.



Source: Goeldner et. al. (2000)

Figure 1.1 The Tourism Phenomenon: Components of Tourism and Tourism Management



Smith (1994: 582) developed a tourist product model consisting of the following five elements:

- (1) The physical destination is the core of any tourism product and refers to a site, nature resource, facility or property. It also includes the attributes of the physical environment such as weather, water quality and tourist infrastructure.
- (2) Quality of service refers to the performance of specific tasks required to meet the needs of tourists.
- (3) Customer care is the attitude or style in which the task is performed. It is that “enhanced service” or “something extra”.
- (4) Freedom of choice refers to the necessity that the tourist has some acceptable range of options in order for the tourism experience to be satisfactory.
- (5) Involvement and experience represent the extent to which the tourist feels high levels of satisfaction, involvement and intrinsic reward.

For purposes of this study, “tourism product” will be defined as the physical destination plus the quality of service and the quality of experience offered to the tourist at the destination.

### **1.7.3 The Concept of Tourist Destination**

Rapid development of tourism due to new technologies of transport and data communications brought corresponding changes in the concept and understanding of destinations (Laws, 1995). “The interpretation of a tourism destination tends to change rapidly as a consequence of the evolution of the market context” (Machiavelli, 2001:7) and this evolving concept of tourist destinations is clearly evident from current tourism literature.

Medlik (1993) defines a tourism destination as “Countries, regions, towns or other areas visited by tourists. Throughout the year their amenities serve their resident and working population, but at some or all times of the year they also have temporary users- tourists.

How important any geographical unit is as a tourist destination, is determined by three prime factors: attractions, amenities and accessibility, which are sometimes called tourism qualities of the destination.” On the other hand, Gunn (1994) calls a tourism destination a “travel market area” or a “geographical area containing a critical mass of development”.

Vukonic (1997) examines the meaning of tourism destination in the context of growth and sustainability and defines the notion of tourism destination as “an integral and functional unit in which its particular components (such as tourist places, localities, zones, etc.) can have their own specific offering, grow and develop independently.” He further emphasizes that regardless of the attractiveness and the capacity of their tourist offering, such areas can be called “tourism destinations” only if a great number of tourists are attracted to them.

Buhalis (2000) describes destinations as amalgams of tourism products, offering an integrated experience to consumers. Traditionally, destinations are regarded as well-defined geographical areas, such as country, an island or a town (Hall, 2000; Davidson and Maitland, 1997). However, it is increasingly recognised that a destination can also be a perceptual concept, which can be interpreted subjectively by consumers, depending on their travel itinerary, cultural background, purpose of visit, educational level and past experience (Buhalis, 2000). Leiper (1995:87) explains that “destinations are places towards which people travel and where they choose to stay for a while in order to experience certain features or

characteristics”. Cooper et al. (1998) defines destinations as the focus of facilities and services designed to meet the needs of the tourists.

Most destinations comprise a core of components, which is usually referred to as the “six As” framework (Buhalis, 2000: 98):

- Attractions (natural, man-made, artificial, purpose built, heritage, special events);
- Accessibility (entire transportation system comprising of routes, terminals and vehicles);
- Amenities (accommodation and catering facilities, retailing, other tourist services);
- Available packages (pre-arranged packages by intermediaries and principals);
- Activities (all activities available at the destination and what consumers will do during the visit), and
- Ancillary services (services used by tourists such as banks, telecommunications, post, news agents, hospitals, etc.).

Brackenbury (2000: 45) provides a rather advanced interpretation of a tourist destination:

“From an institutional perspective a geographical space becomes a destination when there is a tourism organization ready to take charge of vertical co-operation in the area of marketing on the basis of a strategic vision or a plan”

Usually a “tourism destination” is intended as a locality that offers tourists the opportunity of exploiting a variety of attractions and services. However, according to Brackenbury, the determining issue for a destination is the presence of a tourist organization that turns a destination into a product and has the ability to provide tourists with an integrated product (Machiavelli, 2001).

In 2002, leading knowledge experts from the WTO Education Council and top destination practitioners after discussions and interactive exercise on the dimensions of a destination reached a consensus on a working definition of a local tourism destination as follows:

"A local tourism destination is a physical space in which a visitor spends at least one overnight. It includes tourism products such as support services and attractions, and tourism resources within one day's return travel time. It has physical and administrative boundaries defining its management, and images and perceptions defining its market competitiveness. Local destinations incorporate various stakeholders often including a host community, and can nest and network to form larger destinations."

## **1.8 An outline of the study**

The dissertation was planned to include the following chapters:

**Chapter 1** serves as a general introduction and states the background of the study, the problem motivating the study, the purposes of the study, the significance of the research, the methodology used in the study, the scope and delimitations of the study, the conceptual definitions of the study and the outline of the study.

**Chapter II** reviews the literature relevant to the notion of competitiveness, conceptualization and measurement of destination competitiveness. Previous empirical research findings related to the concept of destination competitiveness were reviewed. The social aspects of tourism development and the theoretical framework of the study (the social development theory) were subsequently discussed. As a final section of the chapter, a description of the study area was provided.

**Chapter III** presents a detailed discussion of the study's research design, methods used in data collection, and procedures of data interpretation and analysis.

**Chapter IV** provides a presentation of the findings obtained from the Delphi survey, a discussion of the proposed tourism competitiveness-social development framework for Southeast Asian country destinations and the proposed system for monitoring progress towards achieving tourism competitiveness.

**Chapter V** provides a summary of the research findings; delineates the implications and conclusions of the research; and presents future research directions.

### **1.9 Summary of the chapter**

Due to the increasing complexity of the tourism phenomenon brought about by changing demand patterns and intense competition, achieving and maintaining competitiveness has become an increasing challenge for Southeast Asian destinations. In order to make tourism a viable economic development strategy, Southeast Asian countries have to face this challenge and work towards achieving destination competitiveness. The main purposes of this research was: (1) to gain a better understanding of destination competitiveness by exploring its factors from a social development perspective; and (2) to develop a conceptual model showing the interrelationships of destination competitiveness and a destination's development goals. Currently, there is no such framework showing the interrelationships between tourism processes and social development goals and objectives or a procedure to monitor progress towards achieving tourism competitiveness.

In this introductory chapter, the background, problem statement, purpose and objectives, research strategy, significance, structure of research, and the conceptual definitions of terms used in the study were presented. After this introductory chapter, the literature review is presented in the next chapter.

## **Chapter 2**

### **2.0 Literature Review**

In this chapter, the literature review is presented. First, the notion of competitiveness and how it relates to a tourism destination is examined. Subsequently, the various models of destination competitiveness, the different attempts at measuring tourism competitiveness and developing destination competitive strategies are critically reviewed. A discussion of the social development theory, the theoretical framework of the study, and the human development approach is presented next followed by a discussion of the concept of quality of life as it relates to the study of tourism. This chapter ends with an identification and description of the countries comprising the study area and the extent to which tourism has been developed in the region was explored.

### **2.1 The Notion of Competitiveness**

Dywer (2001), as part of the project “Destination Competitiveness: A Development of a Model with Application to Australia and the Republic of Korea, conducted an extensive literature review on competitiveness. This literature review provided valuable background information for this research regarding the concept of competitiveness. The literature review revealed a variation in perspective in defining, understanding, and measuring competitiveness. These perspectives in various disciplines proved that competitiveness is a multi-faceted concept. It could be regarded that the notion of competitiveness is associated with four major groups of thought. These are:

- Comparative advantage and/or price competitiveness perspective;
- A broad schema and empirical studies;

- A strategy and management perspective; and
- A historical and socio-cultural perspective.

While economists have placed emphasis on price and the country-specific economic characteristics of competitiveness, the management and strategy people have focused on the firm-specific characteristics, while the focus of sociologists and political theorists has been on various social, political and cultural characteristics underlying the notion of competitiveness. Moreover, each group has suggested different indicators to explain or measure competitiveness. The different indicators suggested to understand and measure competitiveness according to these various perspectives are presented in Table 2.1.

The definitions of competitiveness offered in the literature provide both a micro and a macro connotation for the term. From a macro perspective, competitiveness is a national concern and its ultimate goal is to improve the real income of its citizens. It is a very broad construct encompassing all social, cultural, and economic variables affecting the performance of a nation in international markets.

Table 2.1 Indicators Suggested to Understand and Measure Competitiveness

Study Focus/Perspective	Indicators/Measures Suggested
Comparative Advantage and Price Competitiveness	<p>The competitiveness of a nation depends on its advantages in the relative prices of goods and services in the international marketplace (including effect of exchange rate).</p> <p>Durand and Giorno (1987), Fagerberg (1988)</p>
Broad Schema and Empirical Studies	<p>Various firm-related organisational, structural and management variables seen as offering competitive advantage include: levels of technology, capital, difference of labour skill, differences in productive capabilities, management and organisation, overall industrial imports, factor conditions and industry competition, exchange rate, competition, government policy and expenditure, labour management relationship, globalisation, and influence of multinationals.</p> <p>Fakiolas (1985), Clegg (1987), Fagerberg (1988), Hilke and Nelson (1988), Porter (1990), Rugman (1991), Bellak (1993), Cartwright (1993), Hodgetts (1993), Rugman and D’Cruz (1993)</p>
Strategy Management Perspective	<p>Resources of the firm that are considered to offer competitive advantage include: the skills of the employees, assets, cash-flow, capital/investment, human, non- human and strategic), structure of the organisation (flexibility, balance, and dynamic aspects), organisation-environmental interface (source and positional advantage, organisational alignment, generic strategy, strategic planning, and customer-oriented offering), and many firm-specific variables (core competencies, imitability of products, information, intelligence system, value-added by the firm, and quality)</p> <p>Day and Wensley (1988), Yip (1989), Porter (1985, 1990, 1999), Grant (1991), D’Cruz and Rugman (1993), Mahoney and Pandian (1992), Peters (1988), Powell (1992a, 1992b), Mathur (1992), Williams (1992), Ghoshal and Kim (1986), Parsons (1983), Porter and Millar (1985), Kogut (1985), Mahmoud et al. (1992)</p>
History, Politics and Culture	<p>The competitiveness of nations can be influenced by: climate, morals, power of the state, and cultural values including power distance indicator, individualism, and moral discipline</p> <p>Hofstede (1980, 1983), Kennedy (1987), Hofstede and Bond (1988), Aakers (1989), Franke et al. (1991)</p>

Source: Waheeduzzaman and Ryans (1996)



On the other hand, from a micro perspective, it is seen as a firm level phenomenon; firm-specific behaviours determine competitiveness. In order to be competitive, any organisation must provide products and services for which customers or clients are willing to pay a fair return or price. In the long run, in a free enterprise system, competitiveness is measured by the ability of the organization to stay in business and to protect the organisation's investments, to earn a return on those investments, and to ensure jobs for the future.

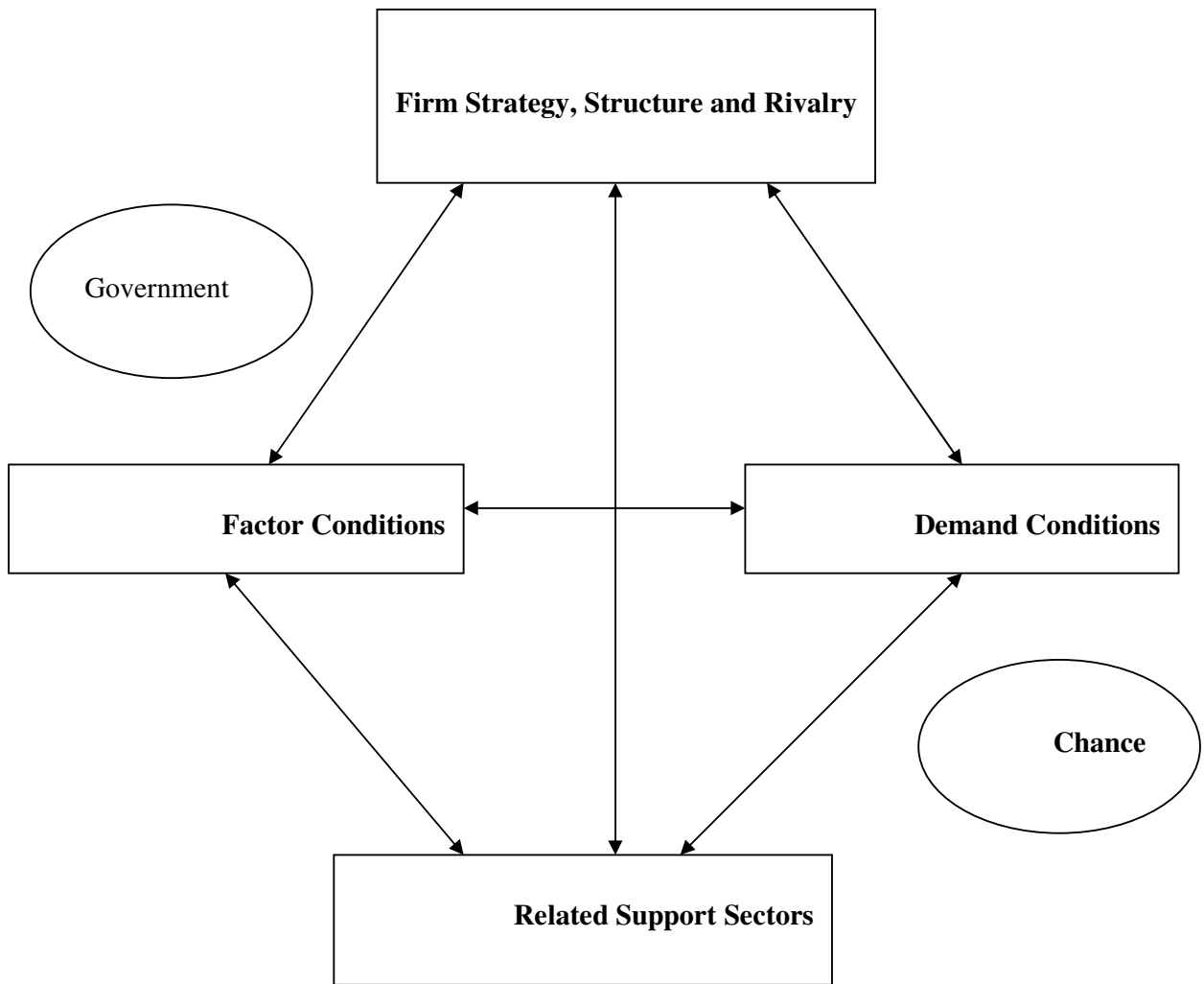
Dwyer and Kim (2003) believed that it is the macro definitions, rather than the micro definitions, that are more related to destination competitiveness. They further emphasized that the macro definitions are based on the view that competitiveness, however measured, centers on human development, growth and improved quality of life. Competitiveness for a company means the creation of new growth options that create value for shareholders while for a society, improved competitiveness translates into new jobs and better living conditions. The ultimate goal of competitiveness is to maintain and increase the real income of its citizens, usually reflected in the standard of living of the country. From this perspective, the competitiveness of a nation is not an end but a means to an end; its ultimate goal is to increase the standard of living of a nation under free and fair market conditions, through trade, production, and investment (Dwyer and Kim, 2003).

There are relatively few comprehensive approaches that can provide direction, guidance and basis for a framework of tourism competitiveness. Two of the most widely acknowledged models of competitiveness are those developed by Porter (1990) and the World Economic Forum (1993). While these frameworks are both broad, macroeconomic models of competitiveness that do not directly focus on, or accord much attention to tourism, they provide a useful starting point for the

development of a more sector-specific approach. At the same time, other views on competitiveness must be considered if a framework for tourism competitiveness that reflects latest thinking about the definition and measurement of this concept is to be developed.

Michael Porter (1990) developed a very broad conceptual framework to explain the competitiveness of nations. In Porter's theory, a nation's overall competitiveness stems from the micro level, that is, individual firms. Porter states that the only meaningful concept of competitiveness at the national level is productivity. A rising standard of living depends on the capacity of a nation's firms to achieve high levels of productivity and to increase productivity over time. A nation's firms must relentlessly improve productivity in existing industries by "raising product quality, adding desirable features, improving product technology or boosting production efficiency" (Porter, 1990:52). He goes on to state that the wealth of a nation is a reflection of the productivity of its industries. Porter clearly distinguishes between the activities of individual firms in seeking success in global industries and the determinants of national advantage in promoting such success. Porter's model, popularly known as the "dynamic diamond," consists of four major factors which he suggests promote or impede the competitive advantage of the firms operating in a nation (Porter, 1990:71). Figure 2.1 illustrates this competitive diamond.

Determinants of Competitive Advantage



Source: Porter (1990) The Competitive Advantage of Nations

Figure 2.1 Porter's Competitive Diamond

The four factors of Porter's competitive diamond are:

a) Factor conditions - Resources can be *endowed* (e.g. mineral resources, agricultural, forestry into mineral resources, agricultural, forestry and fishery resources, and environmental resources) or *created* (e.g. the community's contribution to production, such as skilled labour or infrastructure, necessary to compete in a given industry). A firm's resources include its tangible assets such as financial resources and physical facilities, as well as intangibles such as skill sets, goodwill, reputation, and brand names (Grant, 1991; Narashima, 2000). Barney (1991) characterized resources as falling into three groups:(1) physical capital resources; (2) human capital resources; (3) organisational capital resources. Physical capital resources refer to the physical technologies employed by the firm, its plant and equipment, its geographic location, and its access to raw materials. Human capital resources refer to all the knowledge, training, experience, intelligence, etc., embodied in each manager and worker. Organisational capital resources refer to all the firm's formal and informal structures and procedures for effecting action. Grant (1991) lists six such categories, based on Hofer and Schendel (1978:145-148): financial resources, physical resources, human resources, technological resources, reputation and organisation resources, while Porter distinguishes between human, physical, capital, infrastructure resources (Porter, 1990).

b) Demand conditions - Demand conditions include the nature of demand for the industry's product. A nation will succeed internationally in particular industries where a conducive home demand environment exists. Such an environment will be dynamic and challenging for domestic firms; it will stimulate them to upgrade and widen their advantages over time. Domestic demand includes both the quantitative and qualitative aspects of a market. The size of the domestic market determines the

minimum economy of scale of domestic companies' activities and enables them to enjoy stable demand. The domestic market may also reduce risks by working as a test market for products shipped to overseas markets. However, the real benefits of the domestic market for competitiveness abroad come from its qualitative aspects. Consumers' expectations for quality improvement motivate businesses to strengthen their competitiveness. In a nation where consumers have sophisticated and strict standards for product quality, as well as a high degree of consumerism, businesses tend to build strong competitiveness in the course of satisfying the most critical demand of domestic consumers.

c) Related and supporting industries - This heading includes the presence or absence in the community of supplier industries and related industries that are internationally competitive. Findings in the general internationalisation literature suggest that various network relationships can facilitate international market development for service firms (Sharma and Johanson, 1987; Edvardsson, Edvinsson, and Nystrom, 1993), and smaller organisations (Hansen and Gencturk, 1994). Lewis (1990) found that strategic alliances can build strategic networks, and create links with organisations to inhibit major opponents. Strategic Alliances can result in reduced costs and increased productivity and quality. Related industries can be divided into vertically related industries and horizontally related industries. Vertically related industries can again be subdivided into upstream and downstream areas. Horizontally-related industries are those that use the same technology, raw materials, distribution networks, or marketing activities. Supporting industries include financial, insurance, information, transportation, and other services sectors.

d) Firm strategy, structure, and rivalry - This heading refers to the conditions in the community governing the nature of competition and the ways in which companies

are created, organised, and managed. Porter (1991, 1990, 1985) sees sustainability built on securing either cost advantages or differentiation, linking the firm's value chain activities to input sellers' and output buyers' value chains. Porter's orientation leans towards cost advantages being inherently less sustainable than advantages based on differentiation at both firm and national levels. The most important reason given for the sustainability of competitive advantage is constant improvement and upgrading (Porter, 1990: 51).

According to Porter, "the diamond is a mutually reinforcing system. The effect of one determinant is contingent on the state of others" (Porter, 1990:72). He indicates that the interplay of advantage among the determinants that yields self-reinforcing benefits (that are difficult for foreign rivals to nullify or replicate) ultimately determines the competitiveness of nations (Porter, 1990:73).

Additionally, two factors outside the "diamond," chance and government policy, also affect the competitiveness of nations. Chance events are changes in the environment that cannot be predicted or that have little to do with the international system of the businesses. Such changes include unexpected breakthroughs of new technologies or products, oil shock, sharp fluctuations in world capital markets or foreign exchange rates, changes in foreign governments' policies, changes in international demand, and the outbreak of war. Such chance events manipulate physical and human factors and reconfigure the nation's competitiveness. Chance events strengthen a nation's competitiveness only when its human factors are ready to take advantage of such chance. The role of government is particularly important in improving both physical and human factors in each stage. Government, as an external variable, can influence national competitiveness through its trade, education, and industrial policies.

Porter's "diamond" has received mixed reactions from researchers. On the positive side, he was acclaimed for proposing a broad framework combining competitive strategy and international economics to explain the competitive advantage of nations (Grant, 1991). The strength of this model lies in the fact that it encompasses firm-specific, industry-specific and country-specific factors. By introducing the concept of the industry into the model, Porter integrated both microscopic and macroscopic perspectives on competitiveness into one framework. Prior to his publication, such a framework was not available. Some interesting extensions of Porter's model have been developed (Cho, 1999).

Tse and Olsen (1990) extended Porter's framework of business strategy to the service industry by exploring the level of strategic management in the restaurant firms in the United States. They examined the companies' emphasis in resource allocation in various competitive methods and the nature of the relationship between strategy and structure.

Jogaratham, Tse and Olsen (1999) investigated the link between a restaurant's business strategies and its performance. Their study suggested that successful restaurants are less aggressive than are low-performing ones. "Less-successful restaurants devote a large percentage of their resources to increasing short-term economic gains and customer counts" while "high performers place great importance on problem solving and have a long-term perspective that is strategic rather than routine and operational" (Jogaratham, Tse and Olsen, 1999: 91).

Jogaratham and Tse (2004) studied 164 hotels in Mainland China and Hong Kong and found out that entrepreneurial hotels in Asia recorded better performance than their more-conservative competitors. They defined entrepreneurial approach as

“involving innovative, proactive, risk-taking actions” (Jogaratham and Tse, 2004: 248).

On the negative side, Porter’s framework has been criticised in several respects:

1) It is seen by many as a model that is more applicable to the more advanced developed nations of the world, lacking applicability in smaller or developing economies (Rugman, 1991). To overcome such criticism(s), Rugman and D’Cruz (1993) have suggested an interactive "double diamond" framework. In a "double diamond" framework the competitiveness of smaller nations would be determined by the dynamic interplay of the home country diamond and the diamond of the triad nations (US, Japan, and EC). This modification was necessary to embrace the profound influence of the triad nations on the competitiveness of the smaller nations. Studies in different countries, viz., Canada (Rugman and D’Cruz, 1993), Mexico (Hodgetts, 1993), New Zealand (Cartwright, 1993), and Austria (Bellak and Weiss, 1993) suggested the need for modification of Porter’s "diamond" along the lines indicated by Rugman.

2) It has also been argued that Porter did not appropriately consider the dynamic aspects of the forces that are shaping the world; especially, the forces pertaining to globalisation and the phenomenon of foreign direct investment were not properly taken into account in Porter’s model (Dunning, 1992, 1993). It has been argued that the dynamic interplay of the multinationals in various nations significantly affect the competitiveness of the countries in which they operate. This shortcoming in Porter’s framework was also mentioned by Rugman and Verbeke (1993), who refuted Porter’s assertion that foreign-owned firms did not contribute to a nation’s competitiveness.



3) It has also been argued that the dynamic influences of technology and international business (Narula, 1993), labour costs, and exchange rates (Daly, 1993) on international competitiveness have not been not duly taken into account in Porter's model.

4) By itself, this externally based orientation is not generally regarded as sufficient for identifying the true sources of lasting competitive advantage. Any advantage identified by this analysis would be of short duration, as it could be copied and so competed away, in a perfectly competitive market. In a competitive market, prices of resources can easily be bid up (or down) so that no one firm can sustain its competitive advantage over the long run. Most of the recent theorising has, therefore, concentrated on explicating the properties of resources that yield a sustainable competitive advantage. Toward this end, theories have moved away from modelling the firm as a collection of tangible assets of land, capital, and labour. Instead, the firm is viewed as a collection of specific skills not easily imitable by rivals, and, hence, a source of sustained competitive advantage (Amit & Schoemaker, 1993; Barney, 1991; Prahalad & Hamel, 1990).

This approach, christened the resource-based approach by most writers, is now receiving an enormous amount of attention because (1) of the failure of the industry-based paradigm in providing a better understanding of the sources of long-term advantage by itself and (2) the initial experience with the resource-based framework has provided important new insights. Certain of these insights are important for development of a model of destination competitiveness.

Cho's framework regards the level of competitiveness as measurable for any entities with different domains-product, firm, industry, nation, bloc, or the globe (Cho, 1998). The model suggests that the genuine purpose of the analysis of

competitiveness should be to find ways to increase the level of global competitiveness. To identify sources of competitiveness, Cho proposed a nine-factor model (endowed resources, business environment, related & supporting industries, domestic demand, politician & bureaucrats, workers, entrepreneurs, professional managers designers & engineers, chance events), which encompasses both physical and human factors. Cho's model is based on Porter's national competitiveness model (1990).

The World Economic Forum (WEF) and the International Institute of Management Development (IMD) developed composite measures of competitiveness, resulting in so-called competitiveness scoreboards. The WEF's approach makes an important distinction between the competitive and comparative advantage of nations. Comparative advantage is based on the abundance of resources in a country, whereas competitive advantage is based on a country's ability to add value to the resources. According to the World Competitiveness Report, a country's competitiveness is defined as "the ability of a country to proportionally generate more wealth than its competitors in world markets" (WEF, 1999). The basic premise is the recognition of the need to go beyond the standard GDP/GNP-based country definitions of wealth (e.g., Bottoms, 1994) and move towards assessments which recognise that (i) appropriate interrelated political, economic and social factors are essential to provide the structure necessary to make a nation competitive at the international level; and (ii) that a successful competitive position depends on producer orientation and policies that encourage efficient and effective use of factors of production.

On the WEF perspective, the competitiveness of a country depends on various factors which include levels of technology, capital, skill differences of

labour, the differences in productive capabilities, management and organisation, overall industrial imports, factor conditions and industry competition, exchange rate, competition, government policy and expenditure, labour management relationships, globalisation, and the influence of multinationals.

The WEF model identifies 289 indicators of eight major factors that define or determine a country's ability to compete in the international marketplace. The final consolidated ranking of national competitiveness is based on two sources: the statistical indicators of competitiveness as recorded by international organisations and national institutes, and the perceptions of business executives on the competitiveness of their country drawn from the yearly Executive Opinion Survey. The WEF thus also stresses the role of the so-called, softer side of competitiveness. The easily measurable hard facts underlying the competitive performance of a country, such as GDP, growth, balance of trade and inflation-must be taken in perspective with less easily measurable , softer facts, such as motivation, education, attitudes and values. The WEF evaluation is conducted annually. The final ranking for each country is a weighted sum of rankings on factors. However, no detail is provided on the nature of the weighting procedure used in transforming these indicators into various WCR indices. In the WEF model, country competitiveness is understood as a country's ability to create and sustain economic value-added in the long- term, relative to its competitors.

Crouch and Ritchie (1999) criticized the WEF model on various grounds. The competitiveness scoreboards produced in the World Competitiveness Report, while comprehensive, were found to be of limited value because they rely to a large extent on opinion surveys and non-quantifiable factors. Another major criticism was that the model did not clearly differentiate between the factors that determine the

competitiveness of a nation (i.e. causes of competitiveness) and the indicators that are used to measure its competitiveness (i.e. outcomes). Crouch and Ritchie found many (most) of the indicators of competitiveness used by the WEF to be irrelevant to any notion of destination competitiveness. Examples include R&D personnel, expenditure on basic research, government expenditure, trade to GDP ratio, telephone lines, export credits and insurance, employees social security contribution rate, portfolio investment assets, insider trading etc.

The World Bank database of "competitiveness" indicators is a collection of 49 indicators used to assess economic performance and the environment for competitive business development in a large number of countries. The indicators have been collected from various sources. They are organised in five broad categories: (1) Overall performance; (2) Macro and market dynamism; (3) Financial dynamism; (4) Infrastructure and investment climate; and (5) Human resources. On the World Bank perspective, competitiveness refers to productivity, the magnitude and rate of change in value-added (per unit input) achieved by firms. It depends on a host of factors that can be firm-specific, industry-specific or country-specific. These indicators reveal aspects of competitiveness or the conditions for achieving competitiveness for firms and industries in a particular country (World Bank 1995). The competitiveness indicators database allows the user to obtain a quick snapshot of the state of the business environment for a given country of interest, compare the situation for a given country with the averages for the region and the income group to which the country belongs, and rank the relative standing of a country for a given indicator of interest.

While not directly relevant to destination competitiveness, elements of each of the five broad categories are relevant to the competitiveness of tourism firms and organisations within a host economy.

## **2.2 The Conceptualization of Destination Competitiveness**

The concept of competitiveness has been adapted from economic theory and applied to the general firm or company (Bordas, 1994; Porter, 1990; World Economic Forum, 1999). The concept has also been extended to the national level resulting to the idea of a country's "international competitiveness". "Attempts to conceptualize and analyze international competitiveness have come from a variety of different academic disciplines, including economics, management, politics and culture, each with its own perspective on the subject " (Enright and Newton, 2005: 340).

Scott and Lodge (1985: 3) viewed national competitiveness as "a country's ability to create, produce, distribute and/or service products in international trade while earning rising returns on its resources". They also noted that this ability "is more and more a matter of strategies, and less and less a product of natural endowments." On the other hand, Newall (1992: 94) believes competitiveness "is about producing more and better quality goods and services that are marketed successfully to consumers at home and abroad. It leads to well paying jobs and to the generation of resources required to provide an adequate infrastructure of public services and support for the disadvantaged. In other words, competitiveness speaks directly to the issue of whether a nation's economy can provide a high and rising standard of living for our children and grandchildren." According to The Economist (1994: 17), "a competitive economy is one that exports goods and services profitably

at world-market prices.” The Organization for Economic Cooperation & Development (OECD) (World Economic Forum and IMD International, 1994: 18) defines competitiveness as “the degree to which a country can, under free and fair market conditions, produce goods and services which meet the test of international markets, while simultaneously maintaining and expanding the real incomes of its people over the long-term.”

Crouch and Ritchie (1999) viewed competitiveness as combining both assets and processes where assets “are inherited or created” and processes “transform assets into economic results”. To understand the range of perspectives on competitiveness, they summarized and contrasted the levels of competition into companies and products, national industries, and national economies and in terms of the principal elements of competition, that is, the structure, territory, stakes and tools. They further argued that the levels of competition form a hierarchy in which the nature of competitiveness is addressed at different levels of aggregation. “Competitiveness at each level is interdependent and so congruence is necessary for effective strategies” (Samli and Jacobs, 1995, as cited in Crouch and Ritchie, 1999).

Dwyer and Kim (2003: 371) believed that “the definitions of competitiveness offered in the literature provide both a micro and a macro connotation and it is the macro definitions, rather than the micro definitions, that are more related to destination competitiveness. The macro definitions are based on the view that competitiveness, however measured, centers on human development, growth and improved quality of life.”

Despite the substantial attention that has been given to international business competitiveness (Porter, 1990), relatively few people have addressed the notion of competitiveness as it relates to tourism and tourist destinations (Chon and Mayer,

1995). Some researchers claim that a destination is competitive to the extent that its market share of tourism (measured in visitor numbers or expenditure) is high and/or growing (d'Hartserre, 2000; Hassan, 2000). This is the commonly held view that competitiveness is essentially linked to visitor numbers or visitor expenditure (Kim and Dwyer, 2002). On the other hand, according to other researchers destination competitiveness is associated with the economic prosperity of residents of a country (Crouch and Ritchie, 1999; Buhalis, 2000). Destinations may have various purposes in developing international tourism but, in the long term, "the economic well-being of residents is of central concern to the notion of destination competitiveness" (Kim and Dwyer, 2002: 24).

A number of studies have introduced and applied the concept of competitiveness in the area of tourism destinations (Bordas, 1994; Buhalis, 2000; Crouch and Ritchie, 1999; d'Hartserre, 2000; Kim and Dwyer, 2002; Go and Govers, 1999; Hassan, 2000; Heath, 2003; Kozak, 2001; Kozak and Rimmington, 1999; Mihalic, 2000; Pearce, 1997; Ritchie and Crouch, 1993). The review of current literature on destination competitiveness revealed that the following themes or topic focus: (1) developing a model or theory for destination competitiveness; (2) destination-specific studies addressing or assessing competitive positions; and (3) studies addressing other issues deemed important or related to destination competitiveness. Table 2.2 presents a classification of the reviewed literature according to theme or topic focus.

Table 2.2 Themes of Destination Competitiveness Literature

Themes/Topic Focus	Authors
Developing a model/theory for destination competitiveness	Crouch and Ritchie, 1999; Ritchie and Crouch, 1993, 2000, 2003; Kim and Dwyer, 2002; Dwyer and Kim, 2003; Dwyer, et. al., 2004; Heath, 2003; Jonker, 2004; Yoon, 2002
Destination-specific studies addressing competitive positions	Ahmed and Kohn, 1990 (United States); Botha, Crompton and Kim, 1999 (Sun/Lost City, South Africa); Enright and Newton, 2004 & 2005 (Asia Pacific); Kim, Crompton and Botha, 2000 (Sun/Lost City, South Africa); Chon and Mayer, 1995 (Las Vegas); Dwyer, Livaic and Mellor, 2003 (Australia), Faulkner, Oppermann and Fredline, 1999 (South Australia); Kozak, 2003 (Spain and Turkey); Kozak and Rimmington, 1999 (Spain and Turkey); Mazanec, 1995 (European cities); Papatheodorou, 2002 (Mediterranean Resorts); Pearce, 1997 (Southeast Asia); d’Hautesserre, 2000 (A Casino Resort)
Addressing other issues related to destination competitiveness	Buhalis, 2000 (Destination marketing); Bordas, 1994 (Competitive cluster marketing); Baker, Hayzelden and Sussman, 1996 (Destination management systems); Chacko, 1998 (Destination positioning); Dwyer, Forsyth and Rao, 2000 & 2002 (Price competitiveness); Go and Govers, 2000 (Quality Management); Hassan, 2000 (Market competitiveness); Jamal and Getz, 1996 (Strategic Management); Mihalic, 2000 (Competitiveness and environmental quality); Poon, 1993 (Competitive strategies to be face “new tourism”); Prideaux, 2000 (Competitiveness and Transport; Bilateral Tourism Flows); Soteriou and Roberts, 1998 (Strategic Management); Stevens, 1992 (Price competitiveness); Taylor, 1995 (Package tours)



It seems that the major interest of existing studies has been to investigate how destination competitiveness can be sustained as well as enhanced while maintaining a market position among other destination competitors.

A large number of variables appear to be linked to the notion of destination competitiveness. These include objectively measured variables such as visitor numbers, market share, tourist expenditure, employment, value added by the tourism industry, as well as subjectively measured variables such as “richness of culture and heritage”, “quality of tourism experience”. Destination competitiveness would appear to be linked to the ability of a destination to deliver goods and services to perform better than other destinations on those aspects of the tourism experience considered to be important by tourists. On the other hand, Dwyer, Forsyth and Rao (2000) believe that tourism competitiveness deals with price differentials coupled with exchange rate movements, productivity levels of various components of the tourist industry and qualitative factors affecting the attractiveness or otherwise of a destination.

Ritchie and Crouch (1993) were the first to identify the need for research on the issue of destination competitiveness. After reviewing the applicability of the models of competitiveness of Porter (1990) and the World Economic Forum and IMD International (1992) to tourism destinations, they developed the Calgary Model of Competitiveness in Tourism. This model used five dimensions: appeal, management, organization, information and efficiency.

Poon (1993) suggested four key principles which destinations must follow if they are to be competitive: put the environment first, make tourism a leading sector, strengthen the distribution channels in the market place, and build a dynamic private

sector. However, other researchers found these principles too broad and general to be meaningful to tourism stakeholders and policy makers (Kim and Dwyer, 2002).

Based on an effective frame of public and private sector tourism cooperation and cluster strategy, Bordas (1994) developed several frameworks that determine destination competitiveness while De Keyser and Vanhove (1994), in their study of the competitive situation of tourism in the Caribbean area, determined the competitiveness using five basic set of factors: macroeconomic factors, supply factors, transport factors, demand factors and factors related to tourism policy.

Chon and Mayer (1995) suggested enhancements to the five major dimensions of the Calgary model. They proposed the inclusion of the sub-factors “substitutes” for the appeal dimension, “entry/exit barriers” for the management dimension, “organizational design” for the organization dimension, “technology” for the information dimension, and “value” for the efficiency dimension.

In a study of conference site selection, Go and Govers (1999) measured a destination’s competitive position relative to other destinations along seven attributes – facilities, accessibility, quality of service, overall affordability, location image, climate and environment, and attractiveness. The selected attributes appear not to be based on any model of competitiveness but apply specifically to the conventions sector of tourism.

Recognizing the role of the transport system as a factor in the development of destinations, Prideaux (2000b) developed a destination transport cost model and testing it by examining the role of transport in the development of Cairns, Australia. His approach to the study analysis from an economic perspective in contrast to previous studies of destination development that were generally spatial or geographic in perspective. In his study, he discussed the importance of transport

access cost as a factor in determining the tourist's selection of a destination that would largely depend on the percentage of the total holiday budget consumed by the transport component. His model can be used “to illustrate the impact of transport on destination development by classifying tourists into distance based categories such as intrastate, interstate and international and examining how transport access costs impact on each category of tourist” and the model’s value lies in “its ability to relate a range of destination cost variables to the holiday travel budgets and travel preferences of individual” (Prideaux, 2000b: 61).

Prideaux (2005) examined the structure of bilateral tourism and identified five broad categories of factors that may affect the overall size of tourism flows. “Given the increasing significance of tourism exports and imports and the reduced ability of governments to unilaterally impose trade barriers, an understanding of the bilateral nature of international flows is important” (Prideaux, 2005: 796). Prideaux ‘s research offers destination policymakers a clearer understanding of the structure of bilateral flows, the multi-faceted and multi-sector nature of the industry. “Understanding the mechanisms that facilitate the flows between country pairs enables the identification of barriers and/or developmental possibilities that may have otherwise been overlooked. Moreover, inefficiencies may be identified and remedial action initiated. A further benefit may also be the realization that unequal bilateral flows are not always symptomatic of structural weaknesses in national industries, but may also result from other factors related to population size, national GDP levels, and issues related to destination competitiveness.” (Prideaux, 2005: 796).

Growth and development of tourism destinations have been investigated using various approaches and perspectives such as “changing spatial relationships”

(Barrett, 1958; Gilbert, 1939; Miossec, 1976; Young, 1983; Smith, 1992, as cited in Prideaux, 2000a: 225), “changes to the psychological needs of visitors” (Cohen, 1972; Plog, 1973; Smith, 1977, as cited in Prideaux, 2000a: 225) and “evolutionary cycles” (Butler, 1980, as cited in Prideaux, 2000a: 225). However, Prideaux (2000a: 225) believed that “the role of the market, expressed as the economic forces of price, demand, supply and equilibrium, has been largely ignored”. He developed a new model of resort development, the Resort Development Spectrum, based on the operation of the market within a tourism resort. The Resort Development Spectrum approached the question of development from an economic viewpoint, based on changes within the resort market place. The model proposed in his paper applied specifically to coastal areas in Queensland. However, with modifications, the model was deemed applicable to other types of resorts as well as the more general study of destination development.

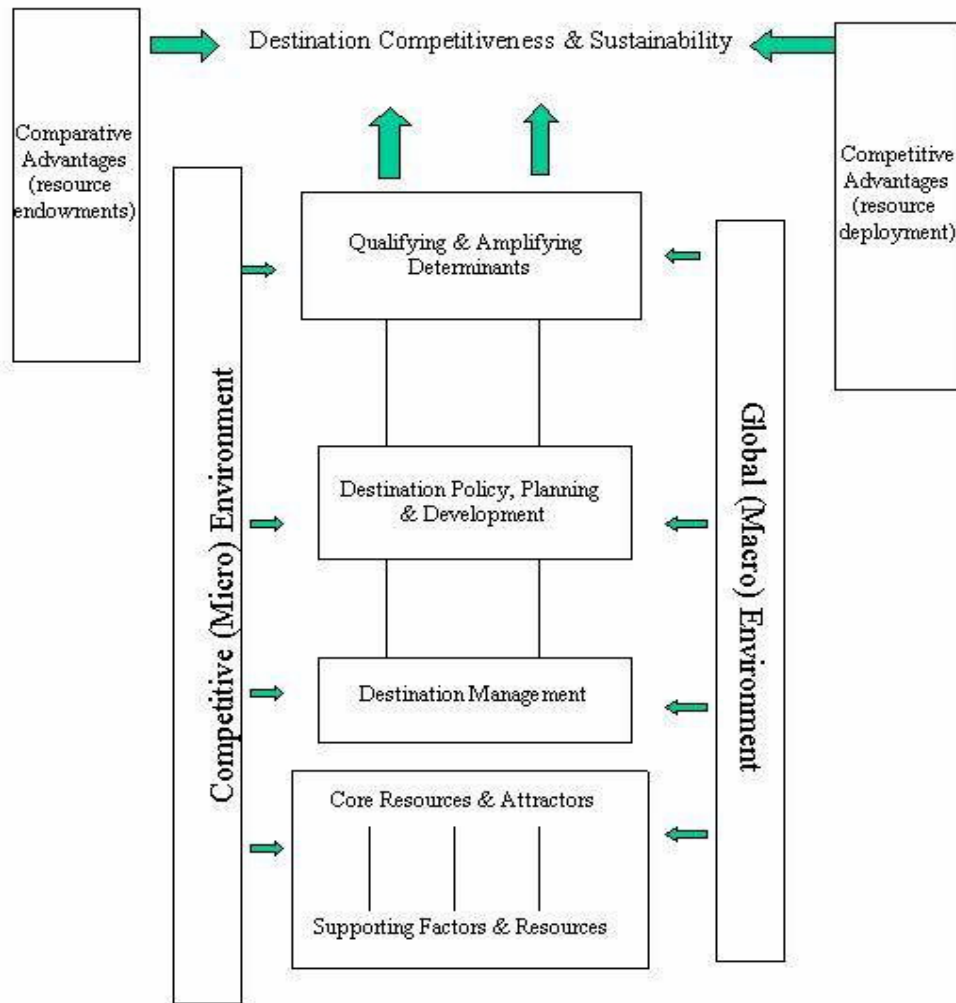
Adopting a case study approach to explore the relationship between destination growth and destination marketing, Prideaux and Copper (2003: 35) suggested “that the manner in which the private and public sector stakeholder organizations work together through a recognized destination marketing organization will influence the overall rate of growth of destinations, particularly when origin markets are located in another state or overseas”.

The continuous research of Ritchie and Crouch on destination competitiveness produced an evolved model incorporating substantial updates. The most significant change was the identification of tourism policy as a separate and major element of the model (Ritchie and Crouch, 2000). The researchers felt that the destination management dimension in the earlier model did not sufficiently cover the critical policy, planning and development issues (Ritchie and Crouch, 2000). This

evolved model highlights that it is the combination of all factors comprising the competitiveness of destinations as well as synergies between the elements that determine the attractiveness of a region (Buhalis, 2000). As presented in their integrated policy and management framework (refer to Figure 2.2), the major determinants of destination competitiveness and sustainability are:

- Comparative advantage – those resource endowments that were given by nature, or which have accrued to the destination over time (e.g. human resources, physical resources, knowledge resources, capital resources, infrastructure & tourism superstructure, historical & cultural resources, size of economy);
- Competitive advantage – those strengths of a destination that are the result of effective resource deployment (e.g. audit & inventory, maintenance, growth & development, efficiency, effectiveness);
- Global (macro) environment – those global forces that affect all socio-economic activity and destination well-being;
- Global (micro) environment – the competitive environment created by the entire set of destinations that are also seeking to attract visitors from all over the world; the behaviour of all individual visitors and potential visitors that destinations are seeking to attract;
- Qualifying & amplifying determinants - those factors that either screen out potential visitors or that tend to enhance a destination's appeal (e.g. location, safety/security, awareness/image, cost/value, carrying capacity, interdependencies);

- Core resources & attractors – those factors that are the basic motivators for destination visitation (e.g. physiography & climate, culture & history, superstructure, market ties, mix of activities, special events, entertainment);
- Supporting factor & resources – certain of these factors make core resources/attractors more effective in motivating visitation (e.g. infrastructure, accessibility, facilitating resources, hospitality, enterprise and political will);
- Destination policy, planning & development – a process of providing wise, consensus driven guidance regarding the kind of tourism destination residents desire, and the broad means of achieving this collective goal; the envelope within which managerial action and operational decisions/actions must take place (e.g. system definition, philosophy/values, vision, audit, positioning/branding, development, competitive/collaborative analysis, monitoring & evaluation);
- Destination management – the day-to-day process of effectively managing destination resources so as to provide rewarding and memorable visitor experiences at a destination, while ensuring that its resources are carefully maintained and enhanced for the future (e.g. resource stewardship, marketing, finance & venture capital, organization, human resource development, information & research, service & experience, visitor management)



Source: Crouch and Ritchie, 2001

**Figure 2.2 Destination Competitiveness and Sustainability Model**

Dwyer, Forsyth and Rao (2000) have provided a detailed study on tourism price competitiveness while Hassan (2000) introduced a new model of competitiveness that focuses on environmental sustainability factors associated with travel destinations. Hassan (2000) proposed four determinants of market competitiveness: (1) comparative advantage (includes those factors associated with both the macro and micro environments that are critical to market competitiveness); (2) demand orientation (the destination's ability to respond to the changing nature of the market demand); (3) industry structure (existence or absence of an organized tourism-related industry); and (4) environmental commitment (the destination's commitment to the environment). Underlying Hassan's model is the belief that 'a global perspective to understand the key determinants of market competitiveness is critical for the tourism industry to sustain its growth and vitality' (Hassan, 2000: 239).

Dwyer and Kim (2003) developed an integrated model of destination competitiveness that brings together the main elements of national and firm competitiveness as proposed by wider literature and the main elements of destination elements as proposed by various tourism researchers. Although their model contains many of the variables and category headings identified by Crouch and Ritchie (1993, 1994, 1995, 1999, 2000), their comprehensive framework differs in some important respects. The integrated model of destination competitiveness retains a good deal of the Crouch Ritchie framework but there are some significant differences. According to Kim and Dwyer (2002), these significant differences are the following:

- 1) The Crouch-Ritchie model, as drawn, implies that there is a linear, sequential relationship between the main determinants of destination competitiveness and the outcome (prosperity of residents). As depicted in the Crouch-Ritchie diagram



(Figure 2.2), the base of Core Resources and Attractors and Supporting Factors and Resources are influenced by the Competitive (Micro) Environment and the Global (Macro) Environment but are unconnected with the other determinants. Crouch and Ritchie would not hold that there are no links between these determinants and the other elements of their model, but this implication follows from the way their model is drawn. In contrast the integrated model makes explicit the links between the different types of determinants (refer to Figure 2.3).

2) The integrated model includes some types of determinants missing from the Crouch-Ritchie model:

- The distinction between inherited (endowed) and created resources, explicitly drawn in the integrated model, but not in the Crouch-Ritchie model, seems to be a useful one, which has policy significance. As Crouch and Ritchie recognize, destination competitiveness will depend importantly on both types of assets. In the integrated model, market ties are included among the Supporting Factors and Resources, rather than under Core Resources and attractors as in the Crouch-Ritchie model.
- The integrated model explicitly recognizes Demand Conditions as an important determinant of destination competitiveness. Tourist awareness of alternative destinations, their perceptions of different destinations, and their perception of the extent to which the destination's product offerings will meet their needs, are critical to tourist flows. A destination's product must develop in a way that matches the evolving consumer preferences, if the destination is to enhance or even maintain competitiveness. The Crouch-Ritchie model seems to unduly neglect the demand side of competitiveness

determination. Focus on the supply side determinants gives an incomplete picture of destination competitiveness.

- The integrated model explicitly recognizes that destination competitiveness is not an ultimate end of policy making but is an intermediate goal toward the objective of regional or national economic prosperity. It therefore explicitly allows for selected performance indicators to be highlighted.

3) The integrated model does not provide a separate box for Destination, Policy and Development but subsumes this determinant type under Destination Management. In the integrated model, Destination Management includes those factors that shape and influence a destination's competitive strength as well as those that create an environment within which tourism can flourish in an adaptive manner. The category Destination Management comprises five major dimensions- Destination Management Organization, Destination Marketing Management, Destination Policy, Planning and Development, Human Resource Development and Environmental Management.

4) The category, Qualifying and Amplifying Determinants, in the Crouch-Ritchie model is re-labeled as Situational Conditions.

- In the integrated model, the competitive (micro) environment and the global (macro) environment are included among the Situational Conditions. This is consistent with Strategic Management theory wherein firms operate within two types of external environments: an industry (micro) environment as well as a more remote (macro) environment.
- In the Crouch-Ritchie model, interdependencies, between destinations are included as a separate heading under Qualifying and Amplifying Determinants whereas in the integrated model they are recognized to relate to

the ease of combining travel to different destinations, that is, accessibility attributes, and so appear under that element of Supporting Factors and Resources.

- The Crouch-Ritchie model includes awareness/image/brand among the Qualifying and Amplifying Determinants. In the integrated model, potential visitor awareness is included as a Demand Condition. The image and brand of a destination also have relevance for Demand but they are acknowledged to be part of Destination Marketing Management, a major sub category of Destination Management.

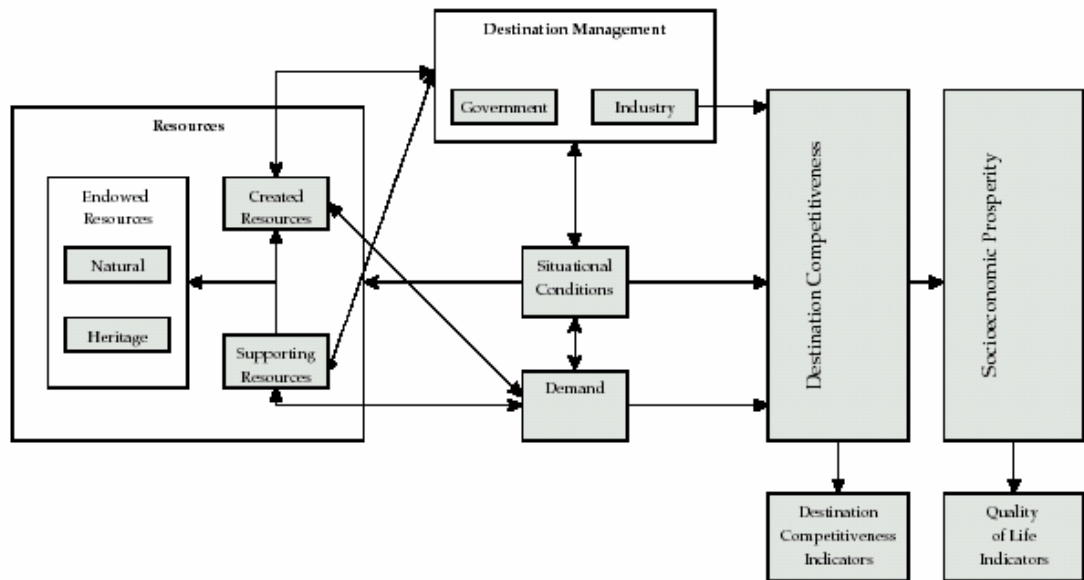
5) The integrated model groups some of the elementary determinants of destination competitiveness differently than does the Crouch-Ritchie model.

- The Crouch-Ritchie model lumps all infrastructure together under the label, superstructure, and includes this among the Core Resources and Attractors. In contrast, the integrated model distinguishes between *tourism* infrastructure and *general* infrastructure and allocates only the former to Created Resources. General infrastructure does not have tourist pulling power as such and is therefore included among the Supporting Factors and Resources.
- The Crouch-Ritchie model includes, enterprise, under Supporting Factors and Resources. The integrated model includes enterprise within elements of the Competitive (Micro) Environment. This acknowledges the views of Porter and others who have argued that the strategies of firms and organizations in the home country, and its competitive environment generally, provide the context for productivity increases. In the integrated model, in deference to Porter's Five Forces Analysis of Competition, the Competitive (Micro) Environment is discussed under three headings: the

capabilities of destination firms, their strategies, the extent of competitive rivalry and collaboration among firms, with the customer environment included under demand conditions.

- The Crouch-Ritchie model does not have a separate attribute of, shopping. The shopping sector is subsumed under mix of activities in that model. In contrast, the integrated model recognises the importance of shopping as a major attraction in its own right and one which can impact substantially on visitor flows. Shopping is included in the integrated model with other Created Resources such as tourism infrastructure, special events, range of available activities and entertainment.
- Quality of Service, which is included under Destination Management in the Crouch-Ritchie model, appears under Supporting Factors and Resources in the integrated model. This is to regard service quality, associated with hospitality, as one of the foundations upon which a successful tourism industry is established.
- Finance and Venture Capital, included under Destination Management in the Crouch-Ritchie model is regarded as an element of the Competitive (Micro) Environment within Situational Conditions in the model presented here.

6) The integrated model attempts to provide a more realistic display of the linkages between the various elements of destination competitiveness than does the Crouch-Ritchie model. Thus, certain of the boxes drawn have two-way arrows between them indicating interactive, rather than one way, effects. It has enhanced the various dimensions of destination competitiveness and has improved the effectiveness in using the model across different situations.



Source: Dwyer and Kim (2003)

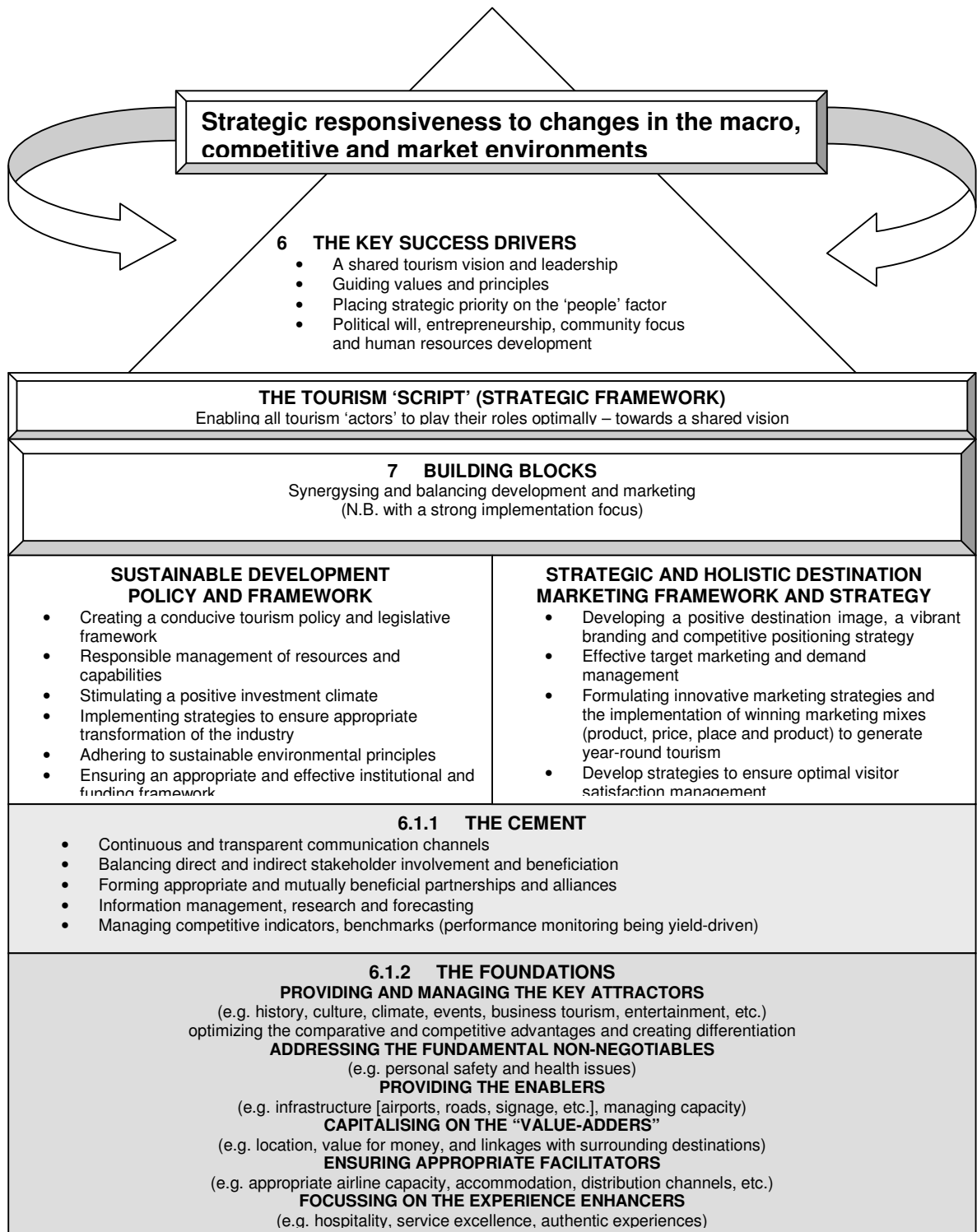
Figure 2.3 The Integrated Model of Destination Competitiveness

Dwyer and Kim (2003) recognized that competitiveness, however measured, centers on human development, growth and improved quality of life. It is depicted in their model that destination competitiveness is itself an intermediate goal towards a more fundamental aim of socioeconomic well being for residents.

Claiming that existing destination competitiveness models appear to be inadequate in providing an integrated treatment and lacks emphasis on the key success drivers (people) and the vital linkages, Heath (2003) proposed a sustainable destination competitiveness model. The model is presented in the form of a house (refer to Figure 2.4) and comprises the following key facets: (1) the foundations that provide an essential base for competitiveness; (2) the building blocks, that are essential to make tourism “happen” in the destination; and (3) the roof (the key success drivers), which comprises the “people” part of destination competitiveness. Specifically, Heath (2003) elaborated these facets as follows:

1. The competitiveness foundations
  - a. Providing and managing the key attractors (e.g. inherited – natural/culture and heritage, created attractors);
  - b. Addressing the fundamental non-negotiables (e.g. personal safety, security and health issues and facilities);
  - c. Providing the enablers (e.g. infrastructure – airports, roads, signage, etc. and managing capacity);
  - d. Capitalising on the “value-adders” (e.g. location, value for money, and linkages with surrounding destinations);
  - e. Ensuring appropriate facilitators (e.g. appropriate airline capacity, accommodation, distribution channels, etc.);

- f. Focusing on the experience enhancers (e.g. hospitality, service excellence, authentic experiences)
2. The roof - the key success drivers
    - a. A shared tourism vision and leadership
    - b. Guiding values and principles
    - c. Placing strategic priority on the “people” factor
    - d. Political will, entrepreneurship, community focus and human resources development
  3. The tourism script - ensuring an appropriate strategic framework
  4. The building blocks with a strong implementation focus
    - a. An integrated development policy and framework
    - b. A strategic and innovative destination marketing framework strategy
  5. The competitiveness “cement”
    - c. Strategic destination stakeholder partnership
    - d. Information management, research and forecasting
    - e. Managing competitive indicators and benchmarks
  6. Strategic responsiveness to changes in the macro, competitive and market environments



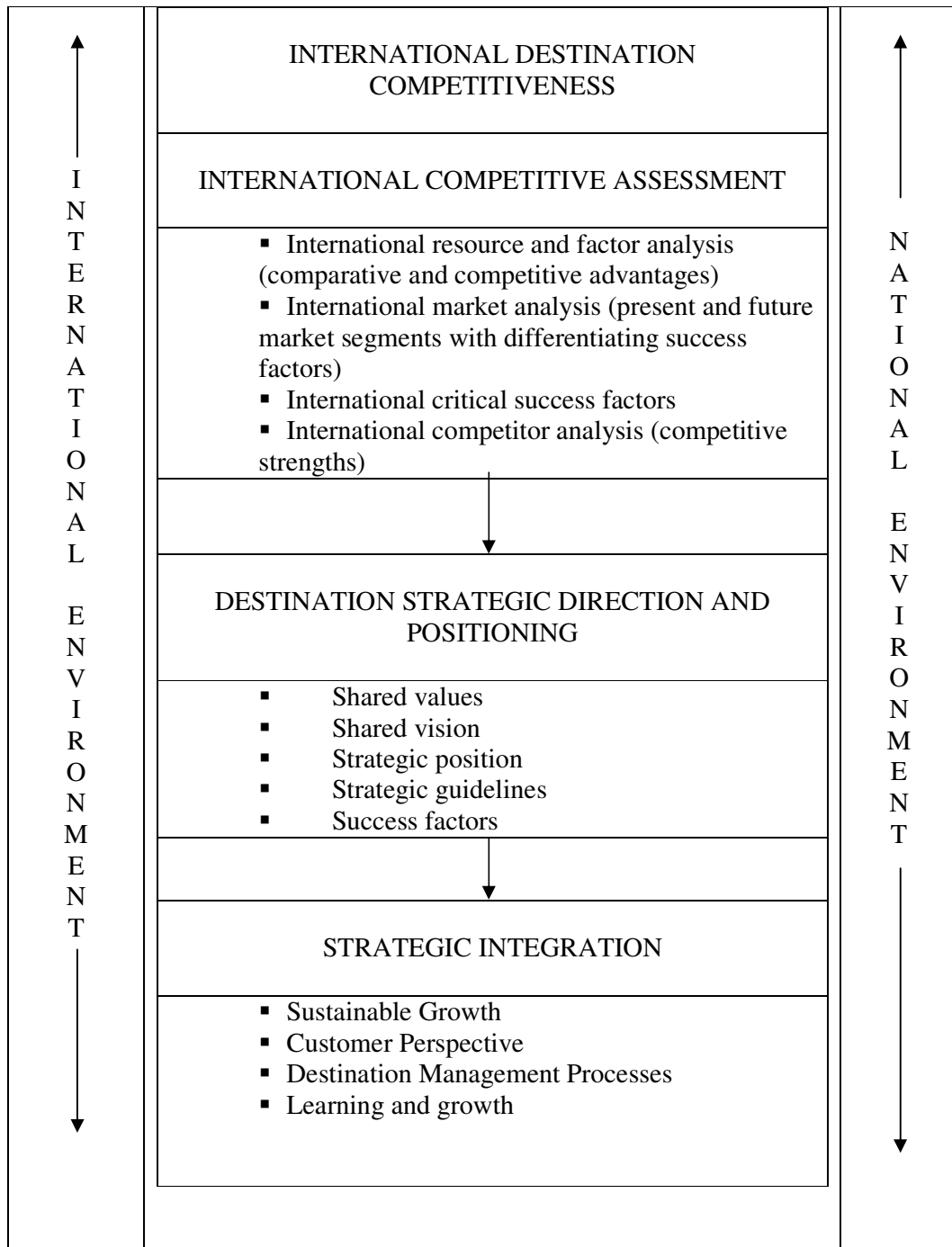
Source: Heath, 2003

Figure 2.4 The Sustainable Destination Competitiveness Model



Olsen, Tse and West (1992: vii) believed that “strategic management in the service industry differs significantly from strategy in the manufacturing industry”. They further stated that “strategic management is in many ways industry specific, key issues such as technology, localized demand curves, and multiple-unit operations differ in application from industry to industry” (Olsen, Tse and West, 1992: vii).

Following a strategic management framework that is consistent with contemporary strategic management theory, Jonker (2004) developed an international destination competitiveness model (refer to Figure 2.5). The model emphasizes the importance of strategic direction and strategic positioning by the development of a strategy block that serves as the “nerve center” for the identification and integration of critical success factors. It contains some of the variables and main points identified by Crouch and Ritchie (1993, 1994, 1995, 1999, 2000) but incorporates other contemporary views on the identification and integration of strategy for a competitive destination. The main elements of the model fall into three major sections: (1) international competitive assessment; (2) destination strategic direction and positioning; and (3) strategic integration.



Source: Jonker, 2004

Figure 2.5 The International Destination Competitiveness Model

Although substantial interest has emerged on the concept of tourism destination competitiveness, the review of tourism literature revealed that no comprehensive framework has been fully developed and generally applicable to all country destinations. A model of destination competitiveness would offer the tourism industry a mechanism for analyzing, diagnosing, planning and communicating competitive strategies (Crouch and Ritchie, 1999). Dwyer and Kim's integrated model has indeed enhanced the various dimensions of destination competitiveness and has improved the effectiveness in using the model across different situations. However, the relative order of importance or magnitude of importance of each of the elements examined still has not been established. In addition, the applicability of the model to destinations at different levels of economic development has not been investigated. It is believed that the perspective and analysis of destination competitiveness is not purely economic in nature, it should also include the social, cultural, political, environmental and human dimensions of development.

As depicted in Dwyer and Kim's integrated model, this study proposes that tourism destination competitiveness is not an end but a means to an end. However, the ultimate goal of destination competitiveness should include not only economic growth of a nation but also its social development. Although the economic dimensions of tourism are important, tourism development cannot be assessed solely from an economic point of view. Liu (1998) examined the relationship between tourism and the extent of the economic development of countries. From his empirical analysis, he was able to make interesting comparison between the demand for tourism in developed and less developed countries. "Tourism in a country is both a manifestation of its economic development level and a means to promote further

development” (Liu, 1998: 21). Economic level affects virtually all aspects of tourism development. Table 2.3 presents the aspects of tourism development that is affected by the country destination’s economic development level.

Table 2.3 Aspects of Tourism Development Affected by Economic Development Level

Aspect of Tourism	Effect of Economic Development Level
Tourism Demand - size and features of tourism demand	<p>“ A society’s level of economic development is a major determinant of the magnitude of tourist demand because the economy influences so many critical, and inter-related factors” (Boniface and Copper, 1994:10, as cited in Liu, 1998:22)</p> <p>“Factors such as per capita income, leisure time and in particular paid holiday entitlement, governmental restrictions to tourism, and availability of tourism products affect not only people’s ability and motivations but also the opportunities to travel” (Liu, 1998:22)</p> <p>“The economic level of a country also influences the relationship between the three forms of tourism – domestic tourism, inbound and outbound international tourism”. (Liu, 1998:28)</p>
Tourism Supply - the availability and adequacy of tourism resources	<p>The economic level of a country largely determines the availability and adequacy of infrastructure, superstructure, capital and technology in that country which have been considered as the “dynamic” determinants of the attractiveness of a country. (Meinung, 1989, as cited in Liu, 1998:26)</p> <p>“Poor access and inadequate infrastructure has been considered as major obstacles to tourism development in developing countries (Heraty, 1989, as cited in Liu, 1998:26)</p>
Tourism Management - the objectives and characteristics of tourism development - organization and management of the industry	<p>“Tourism in developed countries can be regarded as a mainly social activity with economic consequences; in developing countries it is largely an economic activity with social consequences” (Jenkins, 1980:27, as cited in Liu, 1998:26)</p> <p>“Most developing countries regard tourism development mainly as a means of economic growth and diversification and the key objective is usually generation of foreign exchange, while in developed countries, the social pressure of meeting the demand of travel from the population is also one of the key considerations in developing tourism” (Liu, 1998:28)</p>

Table 2.3 Aspects of Tourism Development Affected by Economic Development Level

Aspect of Tourism	Effect of Economic Development Level
Role of Government in Tourism Development	“The nature and extent of government involvement is conditioned by a host of factors, including a country’s history, the level of development, the political system, and the adequacy of tourism supply. Developing countries are usually characterized by a scarcity of capital and advanced technology, an inadequate infrastructure, a small and weak private sector and limited experience in tourism development. Thus, governments have to be more actively involved in tourism and have a wider range of functions and assume not only mandatory, supportive but managerial and developmental roles.” (Liu, 1998:28)
Involvement of foreign capital and expertise in country’s tourism development	“Developing countries wishing to expand tourism activities are generally obliged to negotiate with transnational tourism corporations.” (Ascher, 1985: 16, as cited in Liu, 1998:28) Many developing countries “are very much at the beck and call of foreign investors” (O’Grady, 1982: 23, as cited in Liu, 1998:28)
Tourism Impacts	“The economic development level of a country is closely related to the scale and intensity of the effects of tourism on the country’s economy, the society and the natural environment.” (Liu, 1998: 29)

### 2.3 Measuring Destination Competitiveness

The increasing attention to studies of destination competitiveness has brought about various attempts at measuring the concept. Table 2.4 provides a summary of the various attempts in developing a measure or index of destination competitiveness.

In their continuing research on destination competitiveness, Crouch and Ritchie outlined a series of factors that play a determining role in the competitiveness of a tourist destination and established the factors’ importance. They have proposed that one application of their model of destination competitiveness would be to be able to conduct a destination audit. To facilitate the

conduct of a destination audit and to enable to construction of an “Index of Destination Competitiveness and Sustainability (ICDS)”, they have constructed a set of operational measures of destination competitiveness and sustainability for each of the elements of their model. However, as they have recognized many destinations would have to review these operational measures in terms of applicability and data availability. Many destinations do not have the databases or indicators to assess the different elements of the proposed model and many destinations do not have the resources to generate these databases.

Gooroochurn and Sugiyarto (2005) created the WTTC’s Tourism Competitiveness Monitor (TCM) to measure the competitiveness of the tourist industry in different countries around the world. Based on a database drawn up annually by the WTTC, the TCM attempted to overcome one of the shortcomings of the Crouch and Ritchie’s model that is the lack of available data at different destinations around the world. The TCM tried to measure tourism competitiveness by using data published annually by the World Bank and United Nations. The index is calculated for over two hundred countries and the countries were ranked according to their level of tourism competitiveness. The results show that the most competitive countries, in terms of tourism, are the United States, Sweden, Norway, Finland and Australia in that order. At the other end of the continuum, are Burkina Faso, Chad, Benin, Ethiopia and Cambodia. Although many countries can be compared using TCM given the type of variables used, some concerns emerged in the results generated. Garau-Taberner (2006) observed that for TCM (1) there were still many data gaps in the various variables and indicators used; (2) totally different types destinations offering different types of tourist products were lumped together; (3) much importance were given to variables like technology than environment or

safety/security; and (4) countries with incomplete datasets for identified variables and indicators were included in the comparison/ranking.

Dwyer and Kim (2003) explored a series of factors that are considered to determine destination competitiveness and proposed a number of indicators for measuring destination competitiveness. In addition, they pointed out that a better insight into tourist motivations and their typologies is needed if the factors that determine competitiveness are to be properly identified and weighted. Although their proposed indicator system is deemed very useful in identifying the situation of the identified determinants, generating its database requirements would be too costly for some destinations and other destinations may not have the capability and the resources to generate these databases.

A couple of destination competitiveness case studies have provided valuable contributions in the pursuit of measuring destination competitiveness. Kozak and Rimmington (1999) examined Turkey's competitive capacity by identifying in which aspects the country satisfies tourists more than in others. Enright and Newton (2004) adopted a supply-based approach to competitiveness. Using surveys, members of the tourist industry were asked to identify and categorize the main factors that contribute toward the competitiveness of Hong Kong as a destination. Although a supply-oriented analysis provided valuable information for measuring competitiveness, the consumers' motivations in traveling to the destination or their assessment of the services they consume were not taken into account.

Other studies analyzed the competitive capacity of different destinations but limited their investigations to some factors that contribute to a destination's competitiveness. Dwyer et al. (2000) created an Aggregate Competitiveness Index

(ACI) based on price (the travel cost and costs incurred at the destination) paid by the traveler and applied to 19 destinations.

In March 2007, the World Economic Forum in close collaboration with its Strategic Design Partner, Booz Allen Hamilton, and its Data Partners: the International Air Transport Association (IATA), the World Tourism Organization (UNWTO) and the World Travel & Tourism Council (WTTC) released the *Travel & Tourism Competitiveness Report 2007*. The main content of the report was the Travel & Tourism Competitiveness Index (TTCI) covering 124 countries around the world. The TTCI used a combination of data from publicly available sources, international T&T institutions and T&T experts, as well as the results of the Executive Opinion Survey, a comprehensive annual survey conducted by the World Economic Forum, together with its network of Partner Institutes (leading research institutes and business organizations) in the countries covered by the Report.

The TTCI measured the factors and policies that make it attractive to develop the T&T sector in different countries. It is composed of a number of “pillars” of travel and tourism competitiveness, of which there are 13 in all. These are:

- Policy rules and regulations
- Environmental regulation
- Safety and security
- Health and hygiene
- Prioritization of travel and tourism
- Air transport infrastructure
- Ground transport infrastructure
- Tourism infrastructure
- Information and communication technology (ICT) infrastructure
- Price competitiveness
- Human capital
- National tourism perception
- Natural and cultural resources



The aforementioned review of destination competitiveness literature revealed that there is still no fully satisfactory study in measuring and identifying the determinants of destination competitiveness. Most of the conceptual models that have been developed took into account a large number of factors that play a determining role in competitiveness but the order of importance has not been established. Also, many of the factors proposed in the models cannot be applied given the lack of available indicators and databases at different destinations. Some of destination competitiveness measurement studies did not allow for a comparison of different destinations while others dealt with limited perspective of destination competitiveness (e.g. supply-side perspective only, demand-side perspective only, focused on one factor only) and the rest had results inconsistent with the real tourism dynamics.

Table 2.4 Different Measures of Destination Competitiveness

Authors	Measurement	Limitations
World Economic Forum, 2007	The Travel & Tourism Competitiveness Index	13 Pillars of T&T competitiveness; population base of respondents may have effect on the perceptions reflected on the survey; fail to show some key tourism-related deficiencies; domestic tourism activity not yet fully incorporated in the statistics
Garau-Taberner, 2006	Demand Competitiveness Index	Based on two components, a demand satisfaction index and a destination dissatisfaction index; calculated solely on tourist opinions and data derived from a tourist survey
Crouch and Ritchie, 2005	Index of Destination Competitiveness and Sustainability (ICDS)	Destinations need to conduct a destination audit; many destinations do not have the databases or indicators to assess many of the factors; no order of importance or relative weight for the elements

Table 2.4 Different Measures of Destination Competitiveness

Authors	Measurement	Limitations
Gooroochurn and Sugiyarto, 2005	Tourism Competitiveness Monitor	There were still many data gaps in the various variables and indicators used; different types of destinations offering different types of tourist products were lumped together; much importance were given to variables like technology than environment or safety/security; countries with incomplete datasets for identified variables and indicators were included in the comparison/ranking
Enright and Newton, 2004	Supply-based approach to competitiveness	Only one destination is compared with ‘the rest’ of its competitors; does not make a global assessment of the destination’s capacity to compete; not possible to rank how competitive the destinations are; consumers’ motivations in traveling to the destination or their assessment of the services they consume not taken into account
Dwyer and Kim, 2003	Destination Competitiveness Indicators	Difficulty in applying the indicator system; proposed indicator system useful in identifying the situation of destination competitiveness’ determinants; generating the database requirements would be too costly for some destinations and other destinations may not have the capability and the resources to generate the databases
Dwyer et.al., 2000	Aggregate Competitiveness Index	Investigation limited to some factors that contributed to destination competitiveness; based on price (travel cost and costs incurred at the destination) paid by traveler and applied to 19 destinations
Kozak and Rimmington, 1999	Measuring Turkey’s Competitive Capacity	Does not compare the competitive capacities of different countries; does not prioritize the factors that are most important in determining destination competitiveness; only identifies in which aspects the country satisfies tourists more than in other destinations
Kozak 2004	Destination Benchmarking	Proposed a benchmarking model for use in practice and emphasized the importance of performance measurement and improvement for destinations; main problems associated with benchmarking tourism destinations result from the lack of availability and comparability of quantitative and qualitative data which need to be considered when measuring the performance of tourism destinations

## **2.4 Destination Competitive Strategies**

There are a number of studies in the area of competitive strategies development of tourism destinations (Buhalis, 2000; Crouch & Ritchie, 1999; Mihalic, 2000; Poon, 1993; Ritchie & Crouch, 1993). These studies point out that tourism destination competitiveness can be enhanced through certain development strategies, including marketing efforts (image, quality, positioning, branding, and services), destination management efforts, and sustainable tourism. Competitiveness is the essential goal of management and marketing strategies (Kozak, 2001).

According to Poon (1993), destination competitiveness could be enhanced by “permanent innovation” and “ceaseless change.” Flexible, segmented, customized products for the tourists’ needs are necessary to create competitive tourism destinations. Organization, management, marketing, distribution, and other forms of interaction and interrelationships among tourism suppliers are fundamental sources of developing flexibility for tourism destination competitiveness. In order to compete successfully in tourism market places, tourism destinations and their players should follow such principles as “put the consumer first, be a leader in quality, develop radical innovations, and strengthen the firms’ strategic position within the industry’s value chain (p.240).” Particularly, Poon (1993) explained that linking marketing with product development, satisfying the consumer, and developing holistic approaches to travel experiences (ex. destination image, collaboration with the public sector, and controlling the service delivery system, are important strategies for destination competitiveness.

Ritchie and Crouch (1993) also discussed how tourism destinations could develop competitive strategies (p.22). For example, a carefully selected and well-executed program of destination management can serve to improve the tourism

competitiveness of an area, and also, through certain key activities of destination management organization, destination competitiveness could be enhanced. The collected information from research can enable destinations to better manage the performance of the destination's products, as well as to adapt to changing market conditions through marketing strategies. Lastly, the effective and efficient delivery of the tourism experience to tourists can contribute to destination competitiveness. High or different levels of quality at a given cost as well as the quality of human services, facilities and equipment are also important factors for destination competitive strategy.

Crouch and Ritchie (1999) further expanded these destination competitive strategies, with more focus on destination management approaches and activities, including marketing, service, information, organization, and resource stewardships. It was suggested that “those activities can enhance the appeal of the core tourism resources and attractions, strengthen the quality and effectiveness of the supporting resources, and best adapt to the constraints imposed by the qualifying determinants (location, dependences, safety, and cost) (p.149).”

The marketing of destinations is related to promotional efforts that can be achieved by product development, appropriate pricing policies, effective distribution channels, and product packaging. It can also include selection of appropriate target markets. Quality of services and experiences are also important components for management activities. Enhancing the quality of service should be considered to increase tourist satisfaction. As a result, these marketing efforts can have the potential to enhance the tourism attractions' appeal, as well as strengthen the competitive position of destinations (Mihalic, 2000).

Destination management is related to the regular monitoring of visitor satisfaction and the tracking of industry performance. Such information is critical to help the destination managers understand visitors' needs and develop more effective destination products. It is also important to ensure destination productivity and effectiveness. Additionally, the organization's function within the tourism destination should be considered in terms of its responsibility to the well being of all aspects of the destination. Through a broad range of opportunities and management efforts, destination competitiveness can be enhanced. Destination competitiveness also can be increased by resources stewardship, which involves effectively maintaining and sustaining tourism resources, including ecological, social, and cultural resources. Stewardship is a fundamental strategy for long-term destination competitiveness.

According to Ritchie and Crouch (2000), destination sustainability should be emphasized in its role in enhancing competitiveness. Sustainability has a larger function than natural environmental sustainability (Hassan, 2000). Subsequently, a destination's development for tourism must be sustainable, not just economically and ecologically, but socially, culturally and politically as well.

From an environmental perspective, Mihalic (2000) believed appropriate managerial efforts, environmental quality management, and environmental marketing activities could enhance destination competitiveness. Since environmental quality is an integral part of the quality of natural attractions, maintaining a high level of overall environmental quality is critical for destination competitiveness.

Go and Govers (2000) studied integrated quality management for tourist destinations for achieving competitiveness. This study discussed that in order to

meet the challenge of competitors and to increase market share, maintaining and improving a high quality supply is required to sustain market position. Thus, integrated quality management as a means to increase competitiveness was applied to different destinations for seven European countries. As a result, an integrated approach to problem-solving through relevant fields of knowledge such as urban and regional planning, cultural and heritage preservation, and economic development is needed for the effective development and implementation of integrated quality management for tourist destinations.

Prideaux (2000b) suggested that consideration of transport factors must be included in any future discussion of destination development. He identified these major transport elements of destination development as follows:

- The distance from origin to destination will influence the mode of transport used to travel to the destination
- In determining the importance of transport access costs in destination selection decisions the major factors are fare costs, travel time and the distance traveled
- As distance increases the transport element of holiday cost increases and assumes greater importance.
- Traveling has a number of hidden costs that are not always apparent to tourists. Identification of these may alter transport choices as one mode is substituted for another.
- Access to international airports is a vital component in the development of international markets, particularly where there are sea gaps or lengthy surface travel is required.

- The impact of non-transport factors such as promotion and development of destination
- Infrastructure and tourism services.
- Destinations wishing to grow must identify and invest in appropriate transport infrastructure.

From the literature review, destination competitiveness can be improved by more appropriate management efforts, marketing activities, quality of services, and environmental management that can help to create and integrate value in tourism products and resources so that tourism destinations can achieve better competitive market positions.

## **2.5. Social Development Theory**

The extent to which tourism contributes to the national or local economy varies according to a variety of factors. It is important to define the desired outcome of tourism, namely development, and the means of achieving this outcome.

Jacobs and Cleveland (1999:23) defines social development “as an upward directional movement of society from lesser to greater levels of energy, efficiency, quality, productivity, complexity, comprehension, creativity, choice, mastery, enjoyment and accomplishment”. They differentiate “growth” and “development”. Growth involves “a horizontal or quantitative expansion and multiplication of existing types and forms of activities” (Jacobs and Cleveland, 1999:23). In contrast, development involves “a vertical or qualitative enhancement of the level of organization” (Jacobs and Cleveland, 1999:23). Growth and development usually go together but are subject to different laws.

Social development theory describes “social development as the release and channeling of social energies through more complex social organization to enhance productive capacity and achieve greater results” (Jacobs and Cleveland, 1999:1). Jacobs and Cleveland identified four distinctly different levels or types of mechanism that serve to direct and channel the collective energies of the society into new and more productive forms of activity. These are (1) social aspirations; (2) government authority; (3) social-cultural structure; and (4) social know-how in the form of science, technology and productive skills. Social aspirations pertains to the people being motivated to learn new skills and adapt to changes which will enable them to produce more, earn more and consume more (Jacobs and Cleveland, 1999). The authority of government has the capacity to direct the flow of social energies through the instrumentation of law, public policies, administrative procedures, controls, incentives and fear of punishment (Jacobs and Cleveland, 1999). Besides the government, society also exercises authority over its members sometimes far more persuasive than the government. Social and cultural authority comes from society’s ideas, attitudes, customs and values. It has been observed that different societies had developed at very different rates and in different directions under very similar forms of government, due to differences in social and cultural authority (Jacobs and Cleveland, 1999). Finally, the complete range of capacities (e.g. scientific knowledge, technology and productive skills) that determine the ability of the people to physically direct their energies to achieve productive results also influences social development by providing the direction for the efficient organization of mental, social and material energies (Jacobs and Cleveland, 1999).

Jacobs, Macfarlane and Asokan (1997) emphasizes that development is a process not a program. The process of development occurs by the creation of higher



levels of organization in society capable of accomplishing greater acts with more efficient use of social energies. Society develops by organizing all the knowledge, human energies and material resources at its disposal to fulfill its aspirations. A society is prepared for development when it possesses the requisite surplus energy, awareness and aspiration. Political, social, economic and technological developments are various expressions and dimensions of the development of the human collective. All development reduces to the development of the human beings. The continued growth in the capacity of human beings to conceive, design, plan, allocate, systematize, standardize, coordinate and integrate actions, systems, organizations and knowledge into larger, more complex and productive arrangements is responsible for the process of social development.

In sum, “development is a complex, multidimensional concept which not only embraces economic growth and ‘traditional’ social indicators but also seeks to confirm the political and cultural integrity and freedom of all individuals in society. It is the continuous and positive change in the economic, social, political and cultural dimensions of the human conditions guided by the principle of freedom of choice and limited by the capacity of the environment to sustain such change” (Sharpley and Telfer, 2002).

The goal of the process is, in effect, the self-actualisation of individuals within a society, embracing at least five dimensions (Goulet, 1992):

- (1) An economic component – the creation of wealth and equitable access to resources as means of overcoming the ‘pollution of poverty’;
- (2) A social component – the improvement of health education, employment and housing opportunities;

- (3) A political dimension – the recognition of human rights, the creation of political freedom and the enabling of societies to select and operate political systems appropriate to their needs and structures;
- (4) A cultural dimension – the protection or affirmation of cultural identity and self-esteem;
- (5) The full-life paradigm – the preservation and strengthening of the meaning systems, symbols and beliefs of a society; and
- (6) An ecological dimension – reflects the emergence of environmentally sustainability as a guiding principle of all development policies.

## **2.6 Social Aspects and Outcomes of Tourism and Development**

Tourism and development have been studied from several different perspectives. The most compelling reason for pursuing tourism by many destinations is its alleged positive contribution to the local or national economy and its effectiveness as means of achieving development. Development is assumed to be the inevitable consequence of national economic growth and as long as output grows at a faster rate than the population growth rate. Development and economic development have come to be regarded as synonymous (Mabogunje, 1980). By the late 1960s, it had become clear that, in many countries, economic growth was not only failing to solve social and political problems but also was causing or exacerbating them (Seers, 1969). Some countries had realized their economic growth targets, but “the levels of living of the masses of people remained for the most part unchanged” (Todaro, 2000:14). In the 1970s, The World Bank financed tourism development projects aimed at promoting economic growth. While the majority of these projects were very successful in catalyzing economic growth and

tourism development for the selected destinations, the explicit focus on economic development in these projects tended to ignore environmental and social impacts. The governments of these selected destinations were given the responsibility to look after these environmental and social impacts. Unfortunately, the governments were for the most unable to apply any specific remedial actions (e.g. carrying capacities for natural resources are discussed and recommended, but projects and governments had no mechanism or budget to implement these recommendations). With few exceptions, there was little discussion of the inclusion of host communities in the process of developing a tourism product; they are considered more of a difficult and expensive problem in the project input/output calculations. Poverty reduction and sustainability, though obviously implicit outcomes, are not mentioned.

During the 1970's, a swing away from development as an economic phenomenon towards the broader concept of development as the reduction of widespread poverty and unemployment occurred. The concept of development evolved from a process of narrowly defined (by western, industrialized nations) as economic growth to a 'far-reaching, continuous and positively evaluated change in the totality of human experience' (Harrison, 1988: xiii).

De Kadt's seminal publication, *Tourism: Passport to Development?* in 1979 spawned two poles of theoretical research around the discourse of tourism and development. These were Britton's "Dependency Model" (Britton 1982) and Butler's "Lifecycle Model," (Butler 1980) which dominated the thinking of tourism development in the 1980s. Britton and Butler were the first to warn that tourism may add to already apparent inequalities between "North and South" and to discuss wider (and largely negative) social and environmental issues associated with tourism development which were later taken up by many authors in the sustainability debate.

Sharpley and Telfer (2002) attempted to analyze and compare the parallel paradigms of tourism and development from the context of tourism as an agent of development. They draw from the literature in applying tourism development initiatives along a continuum of respective development theory models (Modernization; Dependency; Neoliberalism; Alternative Development) applied at various times in developing countries and concluding that the predominant economic theory governed the process of tourism development. Sharpley and Telfer (2002: 80-105) ascribe the bulk of their analytical findings to an economic perspective where the prime motivation for developing tourism is as a contributor to economic growth. The issue of capital inputs versus capital outputs (input-output ratios) is presented as the major argument for the lack of support for tourism as a development mechanism; they argue that empirical evidence demonstrates that the numbers do not add up. The fact that tourism is a composite product of many other industries makes it difficult to quantify input and outputs; this has contributed to uncertainty about the role of tourism in economic development (Bryden 1973).

Every tourist destination aims for a successful tourism development where all the stakeholders work towards societal prosperity and improved quality of life. However, “development which might be appropriate for one destination might not be appropriate for a different destination for many different reasons” and “resources available within different destinations can dictate, constrain or shape very different approaches or tourism development goals” (Crouch, 2006).

Table 2.5 presents a summary of identified positive and negative impacts of a successful tourism development program on a typical tourism destination. Societies worldwide continuously change and it is important for tourism destinations to

monitor and assess these changes in order to make appropriate adjustments or adaptations.

As destinations increasingly become part of the tourism circuit and become attractive destinations for tourists, these destinations are undergoing dramatic changes. Very few destinations remain unchanged for very long (Butler, 1997). The rapidly increasing number of tourist destinations makes tourism highly competitive. In order to attract as many tourists to visit their areas, the tourism plans and programs of destinations are all directed towards fulfilling the requirements of their target markets, sometimes to the detriment of the local residents. The increased dependency on tourism hinders the development of self-reliant and self-sufficient local communities and ensures the communities' dependence on the demands of the global market. While the expansion of international tourism has brought about substantial economic benefits, many destinations have also experienced considerable economic, social, cultural and environmental negative impacts. As a result of the rapid growth, uncontrolled development, inadequate regulation, and difficulties in monitoring impacts over a period of time, many destinations had exceeded their carrying capacities. In addition, infrastructure in developing economies is often not adequately adapted to absorb the impact of large influxes of tourists who have different consumption habits from the local people.

The negative impacts of tourism in destinations have been widely documented and this has led some people to believe that tourism could not be an effective agent of development. However, tourism is still being identified by a number of destinations as a potential means of improving their well being. "Maybe instead of listening solely to the voices of the tourists with regards to what they need and expect, tourism planners should start listening to the voices of the local people

regarding their concerns about tourism and what they hope to achieve through tourism in order to determine if there are appropriate means of pursuing tourism and appropriate types of tourism which will readily meet the needs and desires of the local people” (Scheyvens, 2002: 234).

Table 2.5 Probable Impacts of a Successful Tourism Development Program on a Typical Tourism Destination

Positive	Negative
<b>I. Economic Impacts</b>	
Contributes to income and standard of living	Increase price of goods/services
Improves local economy	Increased price of land and housing
Increases employment opportunities	Increased cost of living
Improves investment, development and infrastructure spending	Cost for additional infrastructure (water, sewer, power, fuel)
Increase tax revenues	Increases potential for imported labor
Improves public utilities infrastructure	Increased road maintenance and transportation system cost
Improves transport infrastructure	Seasonal tourism, creates high risk, under or unemployment issues
Increases opportunities for shopping	Competition for land with other (higher value) economic uses
Economic impact (direct and indirect, induced spending) is widespread in the community	Profits may be exported by non-local owners
Creates new business opportunities	Jobs may pay low wages
<b>II. Social and Cultural Impacts</b>	
Improves quality of life	Excessive drinking, alcoholism, gambling
Facilitates meeting visitors	Increased underage drinking
Positive changes in values and customs	Crime, drugs, and prostitution
Promotes cultural exchange	Increased smuggling
Improves understanding of different communities	Language and cultural effects
Preserves cultural identity of host community	Unwanted lifestyle changes
Increases demand for historical and cultural exhibits	Displacement of residents for tourism development
Greater tolerance of social differences	Negative changes in values and customs
Satisfaction of psychological needs	Family disruption
	Exclusion of locals from natural resources
	New cliques modify social structures
	Political and public relations issues

Table 2.5 Probable Impacts of a Successful Tourism Development Program on a Typical Tourism Destination

Positive	Negative
<b>III. Community Attitude</b>	
Heightens pride in community	Heightens community divisiveness
Greater appreciation of local resources	Increasing hectic community and personal life
More facilities and range of choices available	Creates a phony folk culture
More interesting and exciting place to live	Residents experience a sense of exclusion and alienation over planning and development concerns
	Feeling of loss of control over community future caused by outsider development
	New building style fail to fit community
<b>IV. Environmental Impacts</b>	
Protection of selected natural environments or prevention of further ecological decline	Pollution (air, water, noise, solid waste and visual)
Preservation of historic buildings and monuments	Loss of natural landscape and agricultural lands to tourism development
Improvement of the area's appearance (visual and aesthetic)	Loss of open space
"A clean industry" (no smokestacks)	Destruction of flora and fauna (including collection of plants, animals, rocks, coral or artifacts by or for tourists)
	Degradation of landscape, historic sites and monument
	Water shortages
	Introduction of exotic species
	Disruption of wildlife breeding cycles and behaviors
<b>V. Crowding and Congestion</b>	
Minimizes sprawl	Congestion including interference with other business
Concentrates tourist facilities	Overcrowding exceeding area capacity
Old building reused for tourism	Conflict
	Overpowering building size and style
<b>VI. Services</b>	
Increases availability of recreation facilities and opportunities	Neglect non-tourist recreation facilities
Better standard of services by shops, restaurants & other commerce	Effects of competition
Improves quality of fire protection	Shortage of goods and services (power, water, fuel)
Improves quality of police protection	Increases pressure on infrastructure

Table 2.5 Probable Impacts of a Successful Tourism Development Program on a Typical Tourism Destination

Positive	Negative
VII. Taxes	
Additional state and local sales tax revenue	Increases property taxes
Lodging tax revenue to city	

Source: Goeldner, et. al., 2000; Mathieson and Wall, 1982

## 2.7 Tourism and Residents' Quality of Life

Edgell and Haenisch (1995:2-3) assert “international tourism in the twenty-first century will be a major vehicle for fulfilling the aspirations of mankind in its quest for a higher quality of life, a part of which will be facilitating more authentic social relationships between individuals”. Crouch and Ritchie (1999:150) believe that “the enhanced competitiveness of the destination should lead directly to a sustainable improvement in the quality of life of these same residents”. The desire to improve the quality of life in a particular place or for a particular person or group is an important focus of attention for planners (Massam, 2002:142). But what is quality of life (QOL)? It is another complex concept! Why are there differences in QOL among places and individuals? There are no simple or even complex explanatory or predictive models that enjoy wide-scale credibility to handle empirical evidence (Massam, 2002:143). Inherited advantages, genetic disposition, individual enterprise, environmental constraints and opportunities, as well as collective actions by governments and central authorities all combine to yield attitudes and expectations, needs and wants, rights and obligations that interact to produce patterns and distribution of QOL among individuals and places (Massam, 2002:143). Researchers from diverse fields have expressed an interest in defining, investigating, and measuring QOL using different perspectives (Massam, 2002:143).



The literature addressing QOL makes two implicit distinctions: (1) QOL measured through different units (or levels) of analysis, and (2) QOL measured through subjective versus objective indicators (Sirgy et. al., 2000:280). In terms of units (or levels) of analysis, past research has addressed QOL from an individual, family, community, state, and global perspective (Sirgy et al., 1995). In the development of a policy-based community QOL measure, the focus is the area dealing with both community QOL and subjective QOL.

The term community QOL is intrinsically multidimensional. A definition of the concept is thus contingent on the social science field of interest and the specific focus of research. Proshansky and Fabian (1986) have suggested that a better understanding of community QOL will be garnered from research questions that are more specific in their focus. For example, in their efforts to come up with a definitive judgment of the psychological aspects of the quality of urban life, they maintained that one must ask the question, “What kinds of quality, for what kinds of people, in what kinds of places?” The focus of community QOL research to date has dealt mainly with aiding the development of urban policy and directing resources to urban needs. This focus is conceptually distinct from individual QOL research that has examined variables impacting the physical and psychological well-being of the individual. Supporting this distinction, Shin (1980) proposed that community QOL be considered as a factor that impacts an individual’s overall QOL. The term community is itself multilevel, having been represented in the literature in the context of neighborhood, region, city, country, etc. Research has examined and illustrated numerous resources within these communities that serve to impact the welfare of the individual (Shin, 1980). These resources can generally be grouped under categories such as economic, social, political, health and education, and

environmental conditions (Lieske, 1990). Adhering to the policy-based nature of community QOL research, it is believed that only those resources subject to reasoned policy choice qualify as proper components of community QOL measure. In other words, many resources affecting QOL (climatic conditions, geography, etc.) are not subject to modification by government, business, and community change agents, therefore, they should not be included as part of the conceptualization and measurement of community QOL (Shin, 1980).

A second distinction noted by Jeffres and Dobos (1992) involves the fact that community QOL is measured through both objective and subjective indicators. The distinction between subjective and objective indicators of community QOL has fueled controversy and spurred much research (e.g., Proshansky and Fabian, 1992). Research focusing on community QOL using objective indicators has employed measures such as community educational assets, health and recreation facilities, economic and demographic indices, etc. (e.g., Berger et al., 1987; Flax, 1976; Liu, 1976; Lieske, 1990). Popular publications such as *Place Rates Almanac* and *Fortune's Best Cities for Business* epitomize the use of objective indicators of community QOL. Subjective indicators of community QOL include measures indicating individuals' attitudes and feelings, levels of satisfaction, commitment, motivation, etc., in relation to their communities (e.g., Bardo, 1984; Fernandez and Kulik, 1981; Jeffres and Dobos, 1992; Shin, 1980; Widgery, 1982, 1992).

Critics of objective indicators argue that differences exist among individuals in their perceptions of the same communities, resulting in problems with reconciliation and interpretation. Shin (1980) has suggested that resources alone cannot constitute community QOL; subjective experiences of community life are needed to effectively measure this construct. Critics of subjective indicators have

viewed them as “soft”; an expression of feelings regarding an object or condition, not the condition itself (Widgery, 1992). However, the view emerging is that community QOL is a function of the actual conditions in the environment as well as a function of how these conditions are perceived and experienced by the individual residing within the community (Proshansky and Fabian, 1986). An interesting empirical question central to this issue is the level of correlation between the objective characteristics and subjective judgments. Several early studies (Schuman and Gruenberg, 1974; Campbell et al., 1976; Marans et al., 1976; Stipak, 1977) found this relationship to vary greatly. Examining this relationship within the context of neighborhood quality of life, Widgery (1992) found a significant relationship between objective and subjective indicators. Even though the objective indicators were significant, the study provided evidence that objective indicators are less strongly correlated with overall neighborhood quality than are the subjective variables. In that study, the objective indicators accounted for a significantly smaller variance in satisfaction than the subjective indicators. Although the use of objective indicators has been prevalent in community QOL studies, Widgery’s study suggests that measures of satisfaction with community life may be superior to simple indicators of material circumstances.

Several studies have addressed community QOL issues utilizing individual measures of satisfaction (e.g., Bardo, 1984; Goitein and Forsythe, 1995; Shin, 1980; Wagner, 1995; Widgery, 1982, 1992). Shin (1980) concluded that community QOL has two conceptually distinct and equally important dimensions: (1) the level of citizen satisfaction related with various community resources, and (2) the distribution of this satisfaction across the citizenry. The resources measured in the Shin study included public schools, medical care, housing, government services, and

neighborhood safety. Widgery (1982) developed a predictive model of community QOL, looking both at community (Flint, Michigan) and neighborhood. Significant predictors of community-wide satisfaction were: trust in government and the political system, satisfaction with family and friends in the community, aesthetic quality of the community, age and years in the community, and optimism about the community. Goitein and Forsythe (1995) measured the QOL dimensions of the city of Peoria, Illinois and surrounding central Illinois counties. Respondents with a positive perception of their area's safety, of its air quality, of its adequacy for retirement, and its sports and recreational opportunities for area children, were found to have a significantly more overall positive image of the community than respondents who reported a more negative assessment of these four QOL dimensions. Wagner (1995) conducted a study by the Regional Plan Association and Quinnipiac College Polling Institute of Hamden, Connecticut. This study surveyed five metropolitan areas (New York–New Jersey–Connecticut; Los Angeles–Riverside–Orange County; Dallas–Fort Worth; Atlanta; and Seattle–Tacoma–Bremer-ton) in an attempt to pin down how community residents define quality of life. Low crime and safe streets topped the list, while additional important issues included high-quality public schools, a good personal financial situation, strong family and good health. Although these studies certainly address factors pertinent to community QOL, they lack a specificity of focus regarding community-related programs and services. Questions measuring *satisfaction with services* have been relatively broad, referring to domains such as satisfaction with government or community services in general. Sirgy et.al. (2000) conducted a study to develop a comprehensive community-based QOL measure that addresses degrees of personal importance and satisfaction residents place on *specific* government, business, and

nonprofit services. Examples of services incorporation under each of the three domains include public education, fire, rescue, library, police, and sanitation services (government); banking/savings, insurance, restaurants/night clubs, and daycare services (business); and alcohol/drug, crisis intervention, adoption/foster care, and family planning services (nonprofit). These service categories represent *community-related* life sub-domains assumed to play a significant role in influencing overall life satisfaction. This focus on specific services enables community leaders to address the specific issues impacting citizen satisfaction and/or dissatisfaction across all segments of a community.

Their conceptual model contains the following satisfaction constructs: satisfaction with individual government services such as fire, rescue, library, police, and sanitation services; satisfaction with individual business services such as, banking/savings, insurance, restaurants/night clubs, and daycare services; satisfaction with individual nonprofit services such as alcohol/drug, crisis intervention, adoption/foster care, and family planning services; global satisfaction with government services; global satisfaction with business services; global satisfaction with nonprofit services; global satisfaction with community; global satisfaction with other life domains such as job, family, financial, health, education, friends/associates, leisure, neighborhood, and spiritual; and global satisfaction with life in general. The model also contains the perceived importance of individual business services; and perceived importance of individual nonprofit services. Their study provides validation support to the community QOL assessment method. The *composite* indices of government, business, and nonprofit services satisfaction were shown to be predictive of *global* measures of government, business, and nonprofit services satisfaction, respectively. The global satisfaction measures of government,

business, and nonprofit services were shown to be predictive of global community satisfaction, which in turn was also shown to be predictive of global life satisfaction. Thus, the proposed community QOL assessment method can be considered a valid measurement tool – a tool that can be used by community leaders to assess community needs in a manner related to the overall life satisfaction of the community leaders of the community citizenry. The real value in such a tool lies in its ability to be applied to strategic planning within the community. The assessment tool developed allows community leaders to gather information about community QOL. Based on the information gathered, specific policies can be designed to enhance the delivery of certain government, nonprofit, and/or business services. These services, in turn, should enhance the perceived QOL of the local residents of the community in question. More specifically, the assessment measures are designed to provide practical information regarding:

- Local residents' degree of satisfaction with government, non-profit, and business services, in general. This can be measured over time to monitor community trends.
- Local residents' degree of satisfaction with (and degree of importance local residents place on) government, nonprofit, and business services, broken down by specific types of services. This information allows community leaders to identify community strengths and weaknesses. Thus, community strengths can be reinforced, whereas, community weaknesses can be addressed by mobilizing to provide better services.

## 2.8 The Capability and Human Development Approach

”Human development is about people, about expanding their choices to lead lives they value. Economic growth, increased international trade and investment, and technological advancement are all essential. However, they are means, not ends. Their contribution to human development largely depends on their capacity to expand people’s choices and assist in the creation of an environment for people to develop their full potential to lead productive and creative lives.” (UNDP, 2002)

Conceived by Amartya Sen, Nobel Laureate in Economics, the capability approach has been developed in different directions by Amartya Sen, Martha Nussbaum and a growing group of others (Sen, 1997, 1999, 2000, 2001). The approach has provided the intellectual foundation for human development and for including participation, human well-being and freedom as central features of development. The core ideas set forward by the authors are:

The Objective of Economic Development:

- Takes human beings as its end: Economic growth and utility or happiness maximization are not sufficient objectives for development. Rather development should be a means to improving human well-being and agency. Human beings form the 'ends' of economic activity, rather than its means.
- Is to expand capabilities or valuable freedoms. Economic, political, legal, and other social arrangements should be evaluated according to how they expand people's capabilities.
- People's capabilities are what they are actually able to do and to be, that is, their freedom to enjoy valuable beings and doings. This sounds confusing because it replaces one

maximand (utility in theory, and income or economic production in practice) with a diverse set of the things people value such as the ability to be nourished, to learn, to be at peace, to travel, to go about without shame, to be friends, to contemplate higher matters, to take action on causes that matter, to have meaningful work.

The features of the capability approach are:

- Combines ethics and economics: it explicitly acknowledges the value judgments that are inherent in development and social arrangements and policies.
- Has a multidimensional objective: it recognises that human wellbeing is multidimensional, and should advance many different kinds of capabilities at the same time.
- Broadens the informational base: it does not dogmatically advocate that only capabilities matter, but recognises that often non-capability information is also very important for issues of justice, development and policies.
- Recognises that values differ across people and groups: it acknowledges that individuals and groups have many different values.
- Involves people as participants and agents: it argues that people need to hold governments and other sites of power accountable, and to scrutinize their policies and choices.
- Is not a theory of justice: it argues that if equality or sufficiency is required in any space (and most theories of



justice require equality or sufficiency in some space), it should be in the space of capabilities. This contributes to but is not sufficient for a theory of justice. Information of other kinds such as human rights, past responsibilities, processes, side-effects might also be required

- Draws attention to group disparities (such as those based on gender, class, race, ethnicity, sexual preference, and others), and to capability disparities between nations.

## **2.9 Human Development Indicators**

Development often takes place in an uneven way, resulting in some countries being more developed in some ways than in others. A country may be economically developed, with a very high GDP- derived, for example, from the exploitation of rich oil reserves - while segments of the population still live in poverty, and lack access to basic education, health, and decent housing. Hence, human development indicators were developed to measure the non-economic aspects of a country's development, thereby, helping to give a more balanced view of what constitutes development.

The most important human development indicators (UNDP) are listed below.

- *Life expectancy* is the average age to which a person lives.
- *Infant mortality rate* counts the number of babies, per 1,000 live births, who die under the age of one year.
- *Poverty indices* count the percentage of people living below the poverty level, or on very small incomes (eg under £1 per day).

- *Access to basic services* measures the availability of services necessary for a healthy life, such as clean water and sanitation.
- *Access to healthcare* takes into account statistics such as how many doctors there are for every patient.
- *Risk of disease* calculates the percentage of people with dangerous diseases such as AIDs, malaria, tuberculosis, etc.
- *Access to education* measures how many people attend primary school, secondary school and higher education.
- *Literacy rate* is the percentage of adults who can read and write.
- *Access to technology* includes statistics such as the percentage of people with access to phones, mobile phones, television and the internet.
- *Male/female equality* compares statistics such as the literacy rates and employment between the sexes.
- *Government spending priorities* compares health and education expenditure with military expenditure and paying off debts.

## **2.10 Southeast Asia: The Study Area**

Southeast Asia is the region located between India and China (refer to Figure 2.6). Eleven independent countries divide this vast region. The region is partly continental and partly islands. Vietnam, Cambodia, Laos, Myanmar and Thailand are located on the Asian continent, while the Philippines, Timor-Leste, Brunei Darussalam, Indonesia, Singapore and much of Malaysia are located in the islands. The continental part is in the tropical monsoon climate zone and the islands are in the wet tropical climate zone. Neher (1999: 2) describes the region as:

“a region of remarkable diversity, consists of ten nations with differing histories, cultural traditions, resource bases, and political-

economic systems. Except for geographic proximity and a tropical ecology, few characteristics link the nations into a coherent whole. Nevertheless, most of them share certain patterns: a colonial past; a postwar struggle for independence and modernization; religious penetration by Islam, Hinduism, Buddhism, and Christianity; agricultural economies that have been overtaken by manufacturing in the past decades; reliance on patron-client bonds for achieving goals; and a strong sense of the village as the primary unit of identity.”

The region is home to more than 500 million people of diverse cultures, political systems, and levels of socio-economic development. It has a combined total land area of 4.5 million square kilometers, a combined gross domestic product of US\$737 billion, and a total trade of US\$720 billion (IMF, 2001). It is made up of diverse political systems. Brunei Darussalam is an absolute monarchy, while Cambodia, Malaysia, and Thailand have constitutional monarchies that reign but do not rule. These countries along with Singapore have a parliamentary form of government, while the Philippines has a presidential form of government. Indonesia has a quasi-parliamentary form of government but with a president that is popularly elected. Lao PDR and Vietnam remain one-party political systems modeled after China where the communist party monopolizes power.



Source: Nations Online Project,  
[http://www.nationsonline.org/oneworld/map\\_of\\_southeast\\_asia.htm](http://www.nationsonline.org/oneworld/map_of_southeast_asia.htm)

**Figure 2.6 Map of Southeast Asia**

A military junta has been dominating the political system in Myanmar for over three decades, while Timor-Leste is still building a parliamentary democratic political system following its independence from Indonesia in 2002.

The region is also home to diverse religions and cultures. The three major religions – Buddhism, Christianity, and Islam – are dominant in different parts of the region. Buddhism is widely practiced in Thailand, Lao PDR, Myanmar, Cambodia, and Vietnam. Indonesia is the largest Muslim country in the world, and Islam is also practiced in Brunei and Malaysia, southern parts of the Philippines and Thailand, as well as in Cambodia, Laos, Myanmar, Vietnam. The predominantly Catholic Christian countries are Philippines and Timor-Leste while there are also Christian communities in Singapore, Myanmar, Malaysia, Vietnam, Indonesia, and Thailand.

As of 2005, the region is estimated to have a total population of about 556 million (refer to Table 2.6). Individual country populations vary from 0.37 million (Brunei Darussalam) to 222 million (Indonesia). Indonesia ranks fifth in world population, accounting for nearly 40% of total population of the region. Vietnam, the Philippines and Thailand have a combined population of nearly 231 million, or 42 % of the region total. The population of the region is expected to increase to about 623 million in 2015. The average annual growth rate of the region's population from 1950-2000 was 2.18%, declining to an estimated 0.85% from 2000-2050. As reflected in Tables 2.6 and 2.7, Indonesia has a great influence on the total ASEAN population and the recent trend in declining rates of population growth.

Table 2.6 Total Population and Land Area, By Country, 2000, 2005, 2010, 2015  
(medium variant)

Country	Land Area (sq.km.)	Population (thousands)			
		2000	2005	2010	2015
Brunei Darussalam	5765	333	374	414	453
Cambodia	184800	12744	14071	15530	17066
Indonesia	1812000	209174	222781	235755	246813
Lao PDR	236800	5279	5924	6604	7306
Malaysia	332665	22997	25347	27532	29558
Myanmar	676553	47724	50519	52801	54970
Philippines	299404	75766	83054	90048	96840
Singapore	683	4017	4326	4590	4815
Timor-Leste	15007	722	947	1244	1486
Thailand	513115	61438	64233	66785	69064
Vietnam	331042	78671	84238	89718	95029
Southeast Asia	4392827	518867	555815	591021	623401

Source: UN, *World Population Prospects, The 2004 Revision*

Table 2.7 Annual Population Growth Rate, By Country, For Selected Periods  
(medium variant)

Country	Annual population growth rate (percentage)				
	1995-2000	2000-2005	2005-2010	2010-2015	2015-2020
Brunei Darussalam	2.45	2.29	2.05	1.81	1.58
Cambodia	2.29	1.98	1.97	1.89	1.70
Indonesia	1.34	1.26	1.13	0.92	0.72
Lao People's Dem.Rep.	2.38	2.31	2.17	2.02	1.85
Malaysia	2.43	1.95	1.65	1.42	1.26
Myanmar	1.40	1.14	0.88	0.81	0.74
Philippines	2.05	1.84	1.62	1.45	1.29
Singapore	2.88	1.48	1.19	0.96	0.69
Timor-Leste	-3.21	5.42	5.46	3.55	2.85
Thailand	1.04	0.89	0.78	0.67	0.57
Vietnam	1.45	1.37	1.26	1.15	1.01

Source: UN, *World Population Prospects, The 2004 Revision*

Population densities of the countries in the region for the year 2005 was estimated to range from a high of 6,333 people per square kilometers in the state of Singapore to 25 people per square kilometers in the largely rural Lao PDR (refer to Table 2.8). Excluding Singapore, the highest densities (over 230 people per square kilometers) were in the Philippines and Vietnam. Densities in some islands of Indonesia and the Philippines are much higher. Southeast Asia has some of the world's largest cities in Jakarta, Manila and Bangkok. Jakarta and Manila each has approximately 10 million people in the metropolitan area, but close to 20 million in the extended metropolitan region spreading out from the city core 50 kilometers or more in some directions.

Table 2.8 Population Density (per sq. km.), By Country, 1995, 2000, 2005, 2010 (medium variant)

Country	Land Area (sq.km.)	Population (per sq. km.)			
		1995	2000	2005	2010
Brunei Darussalam	5765	51	58	65	72
Cambodia	184800	63	70	78	86
Indonesia	1812000	103	110	117	124
Lao PDR	236800	20	22	25	28
Malaysia	332665	62	70	77	83
Myanmar	676553	66	71	75	78
Philippines	299404	228	253	277	300
Singapore	683	5092	5882	6333	6721
Timor-Leste	15007	57	49	64	84
Thailand	513115	114	120	125	130
Vietnam	331042	221	237	254	270

Source: UN, *World Population Prospects, The 2004 Revision*

Household incomes, education levels, religious beliefs and the family planning policies of governments influence population growth rates and these factors differ considerably among the countries in the region. Annual population growth rate for the period 1995-2000, as shown in Table 2.7, ranged from more than 2.8%

(Singapore) to around 1.0% (Thailand) while Timor-Leste registered a negative growth rate (-3.4%). Annual population growth rate for the period 2005-2010 was estimated to be from 5.46% (Timor-Leste) to 0.78% (Thailand). The United Nations projects that by the period 2035-2040 Singapore will have negative annual population growth rate and by the period 2040-2045 Thailand will have a negative annual population growth rate.

Countries in Southeast Asia are urbanized to varying degrees (refer to Table 2.9). Singapore is fully urbanized while for the other countries in 2005 the proportion of urban population to total population is estimated to range from below 25% for each of the three countries (Lao PDR, Cambodia and Timor-Leste) to over 70% for Brunei Darussalam. Urban population growth is the net result of natural increase, migration from rural areas, reclassification, and annexation or boundary expansions.

Table 2.9 Urban Population, By Country, 1980-2005

Country	Urban Population As % of Total Population			
	1980	1990	2000	2005
Brunei Darussalam	59.9	65.8	73.9	77.6
Cambodia	12.4	12.6	16.9	19.7
Indonesia	22.1	30.6	35.6	47.9
Lao People's Dem.Rep.	12.4	15.4	19.3	21.6
Malaysia	42.0	49.8	61.8	65.1
Myanmar	24.0	24.8	28.0	30.6
Philippines	37.5	48.8	58.5	62.6
Singapore	100.0	100.0	100.0	100.0
Timor-Leste	8.5	7.8	7.5	7.8
Thailand	26.8	29.4	31.1	32.5
Vietnam	19.4	20.3	24.3	26.7

Source: UN, *World Population Prospects, The 2004 Revision*

With the exception of Brunei Darussalam and Singapore, population growth in major urban centers in the region is largely driven by rural-urban migration. It is



expected that the increasing trend in urbanization will continue. Cities will continue to attract large numbers of migrants from rural areas as urban populations continue to dominate the economic, cultural, social, political, educational, and administrative life of the nations concerned.

Jones (1999) considered the twentieth century as the “demographic century” in Southeast Asia since the extraordinary increase in its population will never be repeated. It is expected that the decline in population growth rates will continue but substantial population growth is still in store. However, uncertainty prevails on how rapidly Indonesia, Malaysia, the Philippines and Vietnam can decrease their fertility rates.

Economic liberalization and globalization affected the growth, development, inequality and distribution of wealth in the countries of Southeast Asia. Variations in policies, political and economic institutions, initial conditions, and level of investments in human and physical capitals resulted in different outcomes (Pangestu, 2001). Since the sharp downturn in the aftermath of the Asian crisis of 1997, the region has witnessed rebound in economic growth and activity. After a steep decline of 7.1% in 1998, economic activity picked up thereafter with combined GDP growth for the region having risen from 3.3% in 2001 to 4.3% in 2002, and further to 5.0% in 2003 (refer to Table 2.10). Lao PDR, Malaysia, Myanmar, Thailand and Vietnam have registered GDP growth above the overall growth rate of the region.

In 2003, the services sector dominated in Cambodia, Malaysia, Philippines, Singapore and Vietnam (ranging from 36.5% of GDP in Cambodia to 67.2% in Singapore) while the industrial sector dominated in Brunei, Indonesia and Thailand (refer to Table 2.11). The agricultural sector dominated in Lao PDR and Myanmar, accounting for 50.2% and 42.9% of GDP, respectively.

Table 2.10 Economic Growth (GDP at constant prices), By Country, 1996-2003  
(% change)

Country	1996	1997	1998	1999	2000	2001	2002	2003
Brunei Darussalam	1.0	3.6	-4.0	2.6	2.8	3.0	2.8	3.2
Cambodia	4.6	4.3	3.7	10.8	7.0	5.7	5.5	5.0
Indonesia	7.8	4.7	-13.1	0.8	4.1	3.5	3.7	4.1
Lao People's Dem.Rep.	6.9	6.9	4.0	7.3	5.8	5.8	5.7	5.9
Malaysia	10.0	7.3	-7.4	6.1	8.9	0.3	4.1	5.3
Myanmar	6.4	5.7	5.8	10.9	13.7	10.5	5.5	5.1
Philippines	5.8	5.2	-0.6	3.4	4.4	4.5	3.1	4.7
Singapore	7.7	8.5	-0.9	6.4	9.4	-2.4	3.3	1.1
Thailand	5.9	-1.4	-10.5	4.4	4.8	2.1	5.4	6.8
Timor-Leste	No Data	No Data	No Data	No Data	No Data	No Data	No Data	No Data
Vietnam	9.3	8.2	5.8	4.7	6.8	6.9	7.0	7.2
Southeast Asia	7.3	4.1	-7.1	3.6	5.9	3.3	4.3	5.0

Source: ASEAN Statistical Yearbook 2004, ASEAN Secretariat

Table 2.11 Sectoral Composition of GDP, 2003 (% share)

Country	Agriculture	Industry	Services
Brunei Darussalam	2.1	58.4	39.5
Cambodia*	35.6	27.9	36.5
Indonesia	15.2	45.1	39.7
Lao People's Dem.Rep.*	50.2	24.6	25.2
Malaysia	8.1	42.2	49.8
Myanmar**	42.9	17.3	39.7
Philippines	19.9	33.5	46.7
Singapore	0.1	32.7	67.2
Thailand	10.2	45.8	44.0
Timor-Leste	No data	No data	No data
Vietnam	21.0	38.5	40.5

\*data for 2002; \*\* data for 2000

Source: ASEAN Statistical Yearbook 2004, ASEAN Secretariat

## **2.11 Tourism in Southeast Asia**

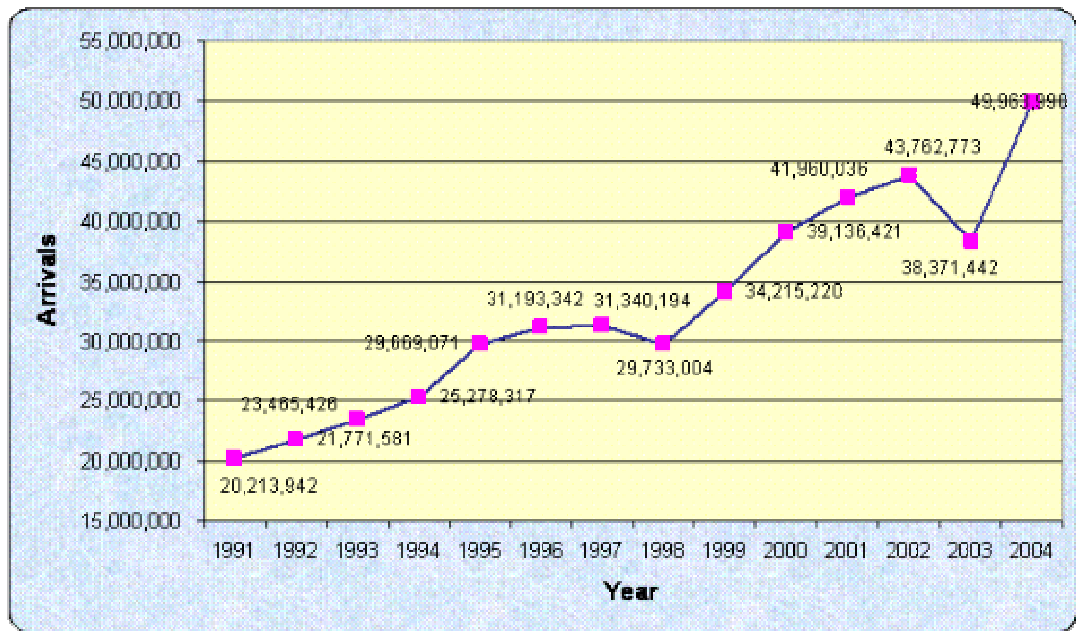
Minerals and fuels have long been dominating the trade within the countries of Southeast Asia (Hussey, 1991, as cited in Timothy, 2000). However, recent years have seen the rise of tourism as one of the economic focus of the countries in the region. “The emergence of Japan, the rise of newly industrialized economies, the practice of ‘open regionalism’ and ASEAN’s integration as a region with the economies of North America and Europe account for much of the shift of the tourism and trade to Asia and the Pacific” (Go, 1997: 3-4). In 1976, tourism cooperation was formalised among the Association of Southeast Asian Nations (ASEAN) member countries by setting up the ASEAN Committee on Trade and Tourism to deal exclusively with the sector. The Association of Southeast Asian Nations (ASEAN) was established in August 1967 in Bangkok, Thailand by the five original member countries, namely Indonesia, Malaysia, Philippines, Singapore and Thailand. Brunei Darussalam joined in January 1984, Vietnam in July 1995, Laos and Myanmar in July 1997 and Cambodia in April 1999. The formation of ASEAN was primarily a response to the threat of communism in South East Asia during the 1960s (Timothy, 2000). The primary aims of ASEAN were to ensure peace and stability in the region, to promote and facilitate intra-regional economic development, and to encourage social and cultural progress among members (Hussey, 1991: 87, as cited in Timothy, 2000).

Recognizing the strategic role of tourism in economic growth and in the advancement of the rich and diverse social, cultural and historical heritage and image, ASEAN came up with an initiative to promote ASEAN as a single tourism destination. To achieve the ASEAN objectives with respect to trade and tourism,

selected ASEAN countries were promoted and marketed in twin – or multi – tour packages and public-private sector partnership was intensified.

Economic integration and cooperation are also promoted through ASEAN cooperation in transportation that aims at increasing the physical integration and mobility, and facilitating trade, goods in transit, investment and tourism activity. In response to current global challenges, ASEAN accelerated its economic integration by establishing an ASEAN Economic Community (AEC) which will make ASEAN a single market and production base with free flow of goods, services, investment, skilled labor and freer flow of capital by 2020 (Ong KengYong, 2003). To further strengthen regional cooperation and integration, ASEAN has concluded framework agreements with neighboring countries (e.g. ASEAN-China, ASEAN-Japan, ASEAN-India) and with the East Asian region (e.g. ASEAN+3).

The region became one of the fastest growing regions for tourism globally due to the region's increasing personal and national affluence and its improved accessibility to the tourist markets. Its international tourism has grown rapidly since 1980 (refer to Figure 2.7). In 1992, 21.7 million foreign tourists arrived in ASEAN countries. Ten years later, in 2002, that number had doubled to around 44 million. By 2004, the number of international visitor arrivals to the region almost reached 50 million.



Source: ASEAN Statistical Yearbook 2004, ASEAN Secretariat

Figure 2.7 Total International Visitor Arrivals to Southeast Asia, 1992 – 2004

In 2004, Malaysia had the highest volume of international visitor arrivals in the region followed by Thailand and Singapore (refer to Table 2.12). More than 15 million visitors arrived in Malaysia, 11 million in Thailand and 8 million in Singapore. Myanmar recorded the lowest volume of international visitor arrivals at 0.66 million.

All countries in the region registered a positive growth in visitor arrivals in 2004 compared to 2003. Cambodia registered the highest growth rate, more than fifty percent, in international visitor arrivals. On the other hand, Brunei Darussalam registered only around six percent increase in international visitor arrivals.

Table 2.12 Total International Visitor Arrivals to Southeast Asia, By Country, 2002-2004

Country	2004	2003	2004/2003 (%)	2002	2004/2002 (%)
Brunei					
Darussalam	1,000,777	944,130	6.00	890,688	12.36
Cambodia	1,055,202	701,014	50.53	786,524	34.16
Indonesia	5,321,165	4,370,908	21.74	4,157,161	28.00
Lao PDR	894,806	636,361	40.61	735,662	21.63
Malaysia	15,703,406	10,576,915	48.47	13,292,010	18.14
Myanmar	656,910	597,015	10.03	217,212	202.43
Philippines	2,291,352	1,907,226	20.14	1,932,677	18.56
Singapore	8,375,094	6,127,029	36.69	7,567,110	10.68
Thailand	11,737,413	10,082,109	16.42	10,872,976	7.95
Viet Nam	2,927,873	2,428,735	20.55	2,627,988	11.41
<b>TOTAL</b>	<b>49,963,998</b>	<b>38,371,442</b>	<b>30.21</b>	<b>43,080,008</b>	<b>15.98</b>

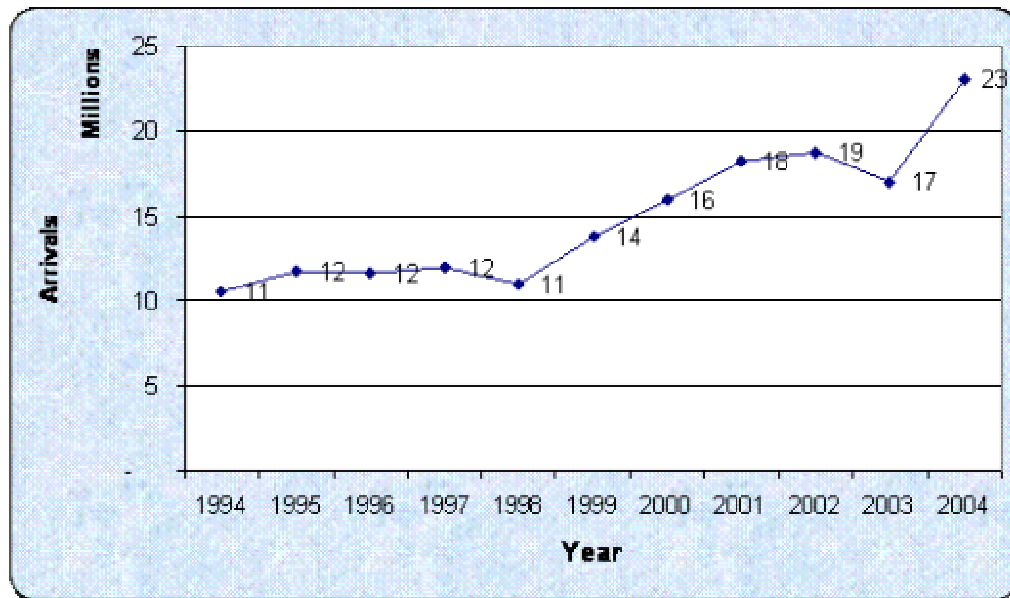
Source: ASEAN Statistical Yearbook 2004, ASEAN Secretariat

Since 2000, Japan remains the region's largest external market followed by China and South Korea while the region's largest overall market is itself (refer to Table 2.13). Trends in intra-ASEAN visitor arrivals from 1994-2004 show continuing growth in intra-ASEAN travel (refer to Figure 2.8).

Table 2.13 Top Fifteen Tourist Generating Market to ASEAN, 2000 & 2004

Country of Residence	2000	Rank	2004	Rank
SINGAPORE	7604076	1	12216878	1
JAPAN	3855615	2	3481186	2
MALAYSIA	2972361	3	3342543	3
CHINA	2312536	4	3163642	4
INDONESIA	2071018	5	2851745	5
TAIWAN	1937042	7	1753121	10
USA	1965410	6	2099322	8
THAILAND	1766287	8	2568802	6
AUSTRALIA	1638878	9	1848524	9
UNITED KINGDOM	1567603	10		
SOUTH KOREA			2348065	7

Source: ASEAN Statistical Yearbook 2004, ASEAN Secretariat



Source: ASEAN Statistical Yearbook 2004, ASEAN Secretariat

Figure 2.8 Number of Intra-ASEAN Travel, 1994-2004

The UNWTO forecasts that the market share of East Asia and the Pacific regions will continue to grow and will reach to 25.4% by 2020. In addition, it is further projected that tourism within Asia will rely on four different but complementary sources: domestic tourism, intra-regional tourism, inter-regional tourism and expatriates.

In 2002, international tourism receipts accounted for more than four percent of the region's GDP (refer to Table 2.14). Total international tourism receipts for the region in 2002 was more than 27,687 million US dollars.

Table 2.14 International Tourism Receipts of Southeast Asia, By Country, 2001 & 2002

International Tourism Receipt, 2001-2002

Member Country	Tourism Receipt (US \$ Million)		Share as % of GDP <sup>*)</sup>	
	2001	2002 <sup>†)</sup>	2001	2002
(1)	(2)	(3)	(4)	(5)
Brunei Darussalam	na	na	na	na
Cambodia	296.0	379.0	10.24	7.50
Indonesia	5,428.6	4,305.6	3.04	3.13
Lao PDR	103.8	113.4	6.50	5.75
Malaysia	6,790.0	6,784.5	7.71	7.15
Myanmar	90.0	99.0	1.56	1.65
Philippines	1,722.7	1,740.1	2.42	2.22
Singapore	5,350.0	5,176.5	6.10	6.15
Thailand	6,730.8	7,529.9	6.53	5.32
Vietnam	1,370.0	1,560.0	4.74	3.90
<b>ASEAN</b>	<b>27,881.9</b>	<b>27,687.9</b>	<b>5.03</b>	<b>4.57</b>

Notes: <sup>†)</sup> Preliminary figures.  
<sup>\*)</sup> GDP at Current Market Price; from ASEAN Secretariat FMSU Database.

Source: ASEAN Statistical Yearbook 2004, ASEAN Secretariat

It is expected that the increasing economic affluence of the people within the region will result into a surge of intra-regional or domestic travels. In his book *Megatrends Asia*, Naisbitt described Asia's emerging middle class as "Asia's middle classes are changing the economic, social and political landscape of the region. They are better educated, are marrying later and having fewer children. The young, urban middle classes of Asia are as sophisticated as any in the world. They lead sophisticated lifestyles and want sophisticated products and services. They are looking for quality as part of a self-conscious search for quality of life" (Naisbitt, 1996: 36).

"In most ASEAN countries, domestic arrivals already represent a higher proportion of travelers than international arrivals" (Citrinot, 2003:6). According to the respective national tourism organizations, Malaysia recorded almost 16 million domestic arrivals (in 2001), Indonesia over 109 million (in 2000), and Thailand over



58 million (in 2001). Many tourism experts predict a further strengthening of intra-regional and domestic travels as uncertainties due to health, safety and security continues.

Tourism has a strategic role to play in the region's economic growth as well as in enhancing its rich and diverse heritage. International visitor arrivals to the region totaled more than 50.8 million by the end of 2005, reflecting an increase of more than 4.8 percent since 2004. The region has remained resilient in attracting improved international arrivals, and ministers from countries in the region have expressed the importance of the industry working together toward a common goal. The World Bank commissioned a Japan-based consultant to conduct a detailed analysis of the strengths, weaknesses, opportunities and threats (SWOT) of the region, particularly in the contexts of promoting an integrated single destination, increasing intra-regional travel and developing world-class products. The findings are as follows (PATA, 2006):

#### **STRENGTHS**

- Well-established tourism in member countries: Singapore, Malaysia, and Thailand already have high annual visitor arrivals.
- Political awareness: The importance of tourism is well recognised among many ASEAN countries, as highlighted through ministerial ASEAN meetings and summits.
- A full-time ASEAN Secretariat already exists to coordinate cooperation and integration efforts.
- Safety: ASEAN member countries have traditionally been considered safe and visitor-friendly.

- Well-developed business sectors: e.g. Singapore, Malaysia, Thailand and Indonesia are also being joined by emerging economies, such as Vietnam, Lao PDR and Cambodia.
- Well-developed entertainment options: Countries already offer shopping, nightlife activities, etc.
- Well-developed linkages to external markets are in place.
- Greater Mekong Subregion (GMS) alliance: ASEAN integration should lead to synergistic effects.
- Access: e.g. GMS countries may not necessarily require air travel.
- Member countries have unique destination images.
- World-class airports facilitate travel: e.g. Singapore Changi and Kuala Lumpur International Airport, as well as the region's newest airport, Suvarnabhumi International Airport in Bangkok, set to open later in the year.
- Diverse tourism resources within the region range from nature to culture, religion, sports, and health and wellness.
- Seasonality patterns are similar for all ASEAN member countries, which is conducive to multi-country tour patterns.
- Some member countries have widespread English language capability.
- Well-developed intra-ASEAN tourism already exists. Short-distance travel potential is well suited to the regional population's income.

#### **WEAKNESSES**

- Countries are at different levels of inbound and outbound market maturity.
- Countries are at different levels of manpower standards.

- Possible competing strategies are in play: e.g. more than one country aspiring to be a strategic hub, or countries competing to be world leaders in particular attractions.
- Poor infrastructure in some countries.
- Progress may be slow due to extra levels of policy-making, i.e. ministries of tourism/commerce and ASEAN, which may also conflict.
- Most existing collaborative networks among countries are weak.
- Infrastructure improvements tend to fall outside of ASEAN initiatives.
- Under-developed market intelligence remains unresolved.
- Poor information and communications technologies (ICT) persist in some countries. Some member countries still focus on visitor arrival numbers, with less attention to tourism yields and dispersion.
- There is inactive collaboration with national flag carriers and discrepancies exist.
- Marketing campaigns are not integrated and lack a consistent message in building tourist destination images.
- Trade and investment need to be considered, as well as inter-firm linkages.
- Visas are required for travelers from outside the region.
- Some source markets are niche-oriented and do not align well with a multi-destination approach.
- Preference given to visit one country: A recent survey suggests that the majority of visitors to the GMS visit only one country at a time. Only around 30 percent of tourists visit at least two countries, and 80 percent of visitors to Thailand visited only that country.
- National priorities in marketing often override regional objectives.

- Time-consuming transit delays occur between countries.
- The ASEAN name is not well known in long-haul markets.
- Each country conveys a similar image as a tourist destination; e.g. they have similar tourism resources, such as beaches, rainforests and cultural assets.
- Some countries do not have offshore tourism marketing offices.
- Evidence of poverty in some countries is generally unattractive to international tourists.
- Market characteristics of some external countries are not well known, e.g. China (PRC) and India.
- Not all member countries are attractive to neighbouring tourism.

#### **OPPORTUNITIES**

- Proximity to large and growing Asian markets, such as China (PRC) and India, and high-expenditure markets, such as the Middle East, Japan, Chinese Taipei and Korea (ROK), could be beneficial.
- Mekong tourism development initiatives could have benefits to ASEAN, e.g. infrastructure improvements.
- ASEAN packages could have more variety, such as city, ecotourism, etc.
- Liberalisation: Ease of visa requirements and government regulation of airlines could be helpful.
- Business tourism: ASEAN member countries have close economic relationships with non-ASEAN countries, e.g. India, Japan, China (PRC) and Australia.
- Develop the meetings, incentives, conventions and exhibitions (MICE) market.

- Special interest tours: Vietnam, for example, is promoting flower tourism in Japan.
- The ASEAN region is suited to hub travel trends.
- World-class events could be leveraged.
- Two-way tourism could be better promoted.
- Intra-regional travel could be increased for leisure, business, study and MICE.
- Visiting friends and relatives (VFR) tourism: Economic migration within ASEAN countries activates VFR tourism.

### **THREATS**

- Unstable political conditions in some countries impact tourism development.
- Regional crises, e.g. terrorism, avian flu and tsunamis, discourage tourism.
- Contagious disease and its media coverage may affect international travel demand.
- Lack of crisis management readiness persists in some countries: Risk management contributes to a positive revival of tourist destinations in many cases.
- Safety and security are not consistent; conversely, unnecessarily negative travel advisories are also troublesome.
- Currency fluctuation continues to be a risk.
- Ongoing ethnic and religious conflicts are potentially problematic.
- National tourism organisations (NTOs) lack the resources to manage cooperation agreements.
- NTOs lack ownership in plans which have donor assistance.

- Proliferation of high-level political objectives without frontline implementation indicates a lack of stakeholder-driven strategies.
- ASEAN campaigns have not always been highly successful, e.g. ASEAN hotel and tour ‘passes’.
- Full integration is threatened by less-mature countries having weaker voices.
- Economic and development gaps divide developed countries and least-developed countries in the region.
- The ASEAN campaign is dependent on contributions from NTOs, which tend to be low.
- Other regional strategies: e.g. the GMS initiative, which also promotes a single destination, and though synergy may be gained, there may be conflicting strategies or exhaustion of resources from individual member countries.

In spite of the region’s impressive economic performances, its progress is still hindered by several unresolved issues, internal political and social instability. One major challenge for the region is to improve the quality of life of its people, to abolish abject poverty, to lessen lopsided development within individual countries, and the need to address the issue of proper utilization of the region’s natural and human resources.

## **2.12 Summary of the Chapter**

This chapter addressed the notion of competitiveness and how it relates to a tourism destination. The literature revealed a variation in perspective in defining, understanding, and measuring competitiveness and showed that competitiveness is a multi-faceted concept. The definitions for international competitiveness offered in

the literature provide both a micro and a macro connotation for the term. It is the macro definitions, rather than the micro definitions, that are more related to destination competitiveness. The macro definitions are based on the view that competitiveness, however measured, centers on human development, growth and improved quality of life.

Although substantial interest has emerged on the concept of destination competitiveness, the review of tourism literature revealed that no comprehensive framework has been fully developed and generally applicable to all country destinations. A model of destination competitiveness would offer the tourism industry a mechanism for analyzing, diagnosing, planning and communicating competitive strategies (Crouch and Ritchie, 1999). Dwyer and Kim's integrated model has indeed enhanced the various dimensions of destination competitiveness and has improved the effectiveness in using the model across different situations. However, the relative order of importance or magnitude of importance of each of the elements examined still has not been established. In addition, the applicability of the model to destinations at different stages of development has not been investigated. It is believed that the perspective and analysis of destination competitiveness is not purely economic in nature, it should also include the social, cultural, political, environmental and human dimensions of development.

As depicted in Dwyer and Kim's integrated model, this study proposes that tourism destination competitiveness is not an end but a means to an end. However, the ultimate goal of destination competitiveness should include not only economic prosperity of a nation but also its social development.

For many destinations, the most compelling reason for pursuing tourism as a development strategy is its alleged positive contribution to the local or national

economy. However, the extent to which tourism contributes to the national or local economy varies according to a variety of factors. As a basis for exploring the relationship between tourism and development, it is important to define not only the desired outcome of tourism, namely development, but also the means of achieving that outcome.

The social development theory guides this study and adapts the paradigm of capabilities and functionings of Sen (1997) and the human centered approach of Jacobs, Macfarlane and Asokan (1997). The following principle derived from the works of the abovementioned development theorists guides this study:

The true ability of a tourism destination to compete is dependent on how its society is able to organize all the knowledge, human energies and material resources at its disposal to fulfill its aspirations. A society is ready to compete in the tourism marketplace when it possesses the requisite surplus energy, awareness and aspiration.

The research proposition of this study is that the human centered approach of the social development theory provides a better understanding of destination performance and competitiveness. The human centered approach view human beings not only as the rightful beneficiaries of social progress but also as the source and primary motive force for development. Jacobs, Macfarlane and Asokan (1997:2) believe that “development is a function of society’s capacity to organize human energies and productive resources to respond to opportunities and challenges”. They further identified that the “human resource is the driving force and primary determinant of development” (p. 2) and “political, social, economic and technological development are various expressions and dimensions of the development of the human collective” (p. 41). In addition, Yoshihara (1999: 60)



believes that “a dynamic economy requires both institutional and cultural transformation; the economy will make a quantum leap if people are more willing to respond to monetary incentives by working harder or investing more in themselves”.

“Economic growth is a necessary but insufficient condition for the promotion of human development. Economic growth is a means of development and not its ultimate goal. Rather development should be a means to improving human well-being. Human beings form the 'ends' of economic activity, rather than its means. The objective of economic development is to expand people’s capabilities or valuable freedoms. Economic, political, legal, and other social arrangements should be evaluated according to how they expand people's capabilities. People's capabilities are what they are actually able to do and to be, that is, their freedom to enjoy valuable beings and doings. Development should be people-centered and economic growth must be equitable for its benefits to have an impact on people’s lives.” (UNDP, 2002)

In order for Southeast Asian destinations to be successful in the competition for development, they must perform an accurate “internal assessment of their resources, and translate these resource qualities into values for the external marketplace” (Kotler et.al., 1994). “One resource measure that has rapidly become a focal point of competition among vying communities is an overall evaluation of a community’s quality of life” (Sirgy et.al., 2000:280). Extensive research has established community quality of life as one factor that contributes to a community’s attractiveness as a site for industrial development, tourism, event site location, etc. (Barlyn, 1995; Precourt and Faircloth, 1996).

## Chapter 3

### 3.0 Research Methodology

This chapter presents the design and methodology used in order to achieve the study's purposes and objectives. First, the research design is presented followed by the methodologies for data collection, interpretation and analysis.

To achieve the purposes and objectives of this research, it was divided into two phases. The study involved both qualitative and quantitative methods. Discussion of research method is usually dichotomized and presented in either a quantitative or a qualitative approach (Newman and Benz, 1998). "The debate between qualitative and quantitative researchers is based upon the differences in assumptions about what reality is and whether or not it is measurable" (Newman and Benz, 1998:2). The debate further rests on differences of opinion about how we can best understand what we 'know', whether through objective or subjective methods. Firestone (1987) differentiates qualitative from quantitative research based on four dimensions: assumptions, purpose, approach, and research role. The qualitative, naturalistic approach is used when observing and interpreting reality with the aim of developing an explanation of what has experienced. The quantitative approach is used when one begins with a theory (or hypothesis) and tests for confirmation or disconfirmation of that hypothesis. Eisner (1991) cautions against the dichotomy and asserts that qualitative and quantitative research can be combined. Newman and Benz (1998:9) believe that "what are known as qualitative methods are frequently beginning points, foundational strategies, which often are followed by quantitative methodologies".

Quantitative research falls under the category of empirical or statistical studies and usually refers to the techniques of experiment, quasi-experiment, pre-

test/post-test studies, action research, survey research (Reichardt & Cook, 1979; Gill & Johnson, 1997; Newman & Benz 1998). These methods are of the hypothetical-deductive nature and are considered more “scientific” and quantitative-oriented (Reichardt & Cook, 1979; Gill & Johnson, 1997).

In contrast, qualitative research (ethnography, case studies, field studies, grounded theory, document studies, naturalistic inquiry, observational studies, interview studies, and descriptive studies) is of analytic-inductive nature (Bird, 1992). The qualitative methods depend on data in the form of words rather than numbers (Miles & Huberman, 1984). Miles and Huberman (1984) assert that words, which often look far more convincing to a reader than pages of numbers, have a concrete, vivid, and meaningful flavor. They believe that more and more researchers in fields with a traditional quantitative emphasis have shifted to the qualitative approach.

A growing interest has emerged in recent years for the use of a mixed approach (Reichardt & Cook, 1979; Gill & Johnson, 1997; Ragin, 1987; Newman & Benz, 1998). Newman and Benz (1998) put forward the concept of interactive continuum and show the overlapping place of theory in both quantitative and qualitative philosophies:

“For the qualitative researcher, the motivating purpose is theory building; while for the quantitative researcher, the intent is theory testing. Neither the qualitative research philosophy nor the quantitative research philosophy encompasses the whole of research. Both are needed to conceptualize research holistically.” (p.20)

Various researchers have also discussed the shortcoming of using mixed methods. Some of these are: insufficient training of the researcher to use both methods (Reichardt & Cook, 1979); each method is associated with a certain cluster of data collection methods (Bryman, 1992); more time and money are likely to be

spent since the research processes are more complicated and difficult (Reichardt & Cook, 1992); the inherently distinctive paradigms can cause the main problem (Brannen, 1992).

Despite the constraints and problems that could be generated using the mixed approach, it was deemed worthwhile to utilize this approach in order to come closely to the truth regarding the phenomenon being studied. Utilizing the mixed approach made the study more enlightening and interesting.

Bryman (1992) presented several strategies for the mixed approach. Some of these strategies are:

- The findings from one type of method are checked against those from the other type. The aim is to enhance the validity of findings.
- Qualitative research may help provide background information on context and subjects, act as source of hypothesis, or aid scale construction.
- Qualitative research may facilitate the interpretation of the relationships between variables.
- Quantitative research is especially efficient at getting to the “structural” features of social life, while qualitative studies are usually better in terms of “process” aspects. The mix methods bring together these strengths in a single study.
- Quantitative research is usually driven by the researcher’s concern, whereas qualitative research takes respondent’s perspectives as the point of departure. Both perspectives may also be brought together in a single study.

In this study, the qualitative method was first employed to explore and develop the framework of destination competitiveness in the context of Southeast Asian destinations. The Delphi technique was used to achieve this objective. The Delphi technique is described by Kaynak and Macauley (1984:90) as “a unique method of eliciting and refining group judgment based on the rationale that a group of experts is better than one expert when exact knowledge is not available”. Linstone and Turoff (1975) described the Delphi as a method of structuring a group communication process so that the process is effective in allowing a group of individuals as a whole to deal with a complex problem. While the traditional usage of Delphi technique is as a forecasting tool, a closely adapted approach could enjoy the benefits of being able to generate opinion and move towards consensus on an issue that requires the input of geographically disperse experts. The concept of destination competitiveness could be described as a complex problem and also one lacking perfect knowledge. A consensus among tourism experts in Southeast Asia was taken regarding the key success factors of tourism competitiveness and their relative importance. The results of the experts survey then served as inputs in the development of a method for monitoring the progress towards tourism competitiveness through the use of objective social indicators. Case study approach and destination benchmarking were conducted to explore the feasibility of monitoring progress towards destination competitiveness using available tourism and human development indicators.

### **3.1 Phase 1 - Framework of Tourism Competitiveness for Southeast Asian Country Destinations**

The Delphi Technique is a tool for organizing group communication, without direct discussion, in order to refine group opinion and arrive at a consensus (Fendt, 1978; Linstone and Turoff, 1975; Tersine and Riggs, 1976). Delphi is specifically described by Sackman (1975) of the Rand Corporation by which the original technique was developed as:

“...an attempt to elicit expert opinion in a systematic manner for useful results. It usually involves iterative questionnaires administered to individual experts in a manner protecting the anonymity of their responses. Feedback of results accompanies each iteration of the questionnaire, which continues until convergence of opinion, or a point of diminishing returns, is reached. The end product is a consensus of experts, including their commentary on each of the questionnaire items, usually organized as a written report by the Delphi investigator.”

Usually there are three basic components of the Delphi method: the creation of a panel of experts, the use of a series of questionnaires for consultation purposes, and provision for feedback of findings to respondents (Masser and Foley, 1987).

One of the strengths of the Delphi is that it achieves a consensus similar to that of a committee meeting without the disadvantages inherent in direct group contact (Gow, 1979). Drawbacks of group discussion include influence of a group decision by dominant individuals (Jaeger and Bausch, 1984), group pressure for conformity, irrelevant and biasing communication, and the unwillingness of people to abandon positions to which they have publicly committed themselves (McGaw, Browne and Rees, 1976). However, a Delphi participant finds it much easier to change his/her mind if he/she has no ego involvement in defending an original estimate and he/she is less subject to the halo effect, where the opinion of the one highly respected man influences the opinion of others (Tersine and Riggs, 1976).

Also reduced is the bandwagon effect which encourages agreement with the majority (Tersine and Riggs, 1976).

Another significant advantage of Delphi, according to Tersine and Riggs (1976), is that it forms a consensus of opinion by requiring justification for any significant deviation from the group average. Also, from the standpoint of the researcher, the technique has the advantage of being relatively inexpensive to organize and administer provided that a panel of experts are willing to give time to the project (Masser and Foley, 1987). An additional advantage is that it eliminates participation constraints which occur as the size of a meeting increase (Miller, 1988).

The Delphi technique is particularly suited to forecasting or identifying trends, but there are some weaknesses. First, the successful outcome of the Delphi method depends on the selection of an appropriate panel of experts (Taylor and Judd, 1989). Second, the time required between each round of questionnaires to analyze the data and prepare the next round is a disadvantage for implementing the Delphi technique (Gow, 1979), because the interest of the participants may decline if there is a long delay between rounds (Tersine and Riggs, 1976). The third weakness lies in its dependence on the ability of the researcher or monitor team (Richey et. al., 1985), who must correctly present the developing consensus and dissenting views to the respondent group of experts (Linstone and Turoff, 1975).

This method involves research in the area to be studied, selection of a panel of experts, development of questionnaires, and analysis of the replies. The first task is to define the area of the study, to identify a likely sequence of events, and to research the information which has been developed pertaining to the area of the study (Hudman and Hawkins, 1989).

The second step is to select the panel of experts, or respondents. Since the composition of this group is critical in determining the effectiveness of the Delphi Technique, basic criteria should be considered in choosing participants (Tersine and Riggs, 1976; Taylor and Judd, 1989). Tersine and Riggs (1976) suggests five criteria for selecting the participants:

1. They must have a basic knowledge of the problem area and be able to apply that knowledge.
2. They must have a good performance record in their particular area.
3. They must possess a high degree of objectivity and rationality.
4. They must have the time available to participate to the conclusion of the program.
5. They must be willing to give the amount of time and effort to do a thorough job of participation.

The sample size is the next major item for consideration. There is no specific guideline for determining the optimum number of panel members to use. Tersine and Riggs (1976) suggest that if the group is homogenous, between ten and fifteen respondents should be sufficient to generate effective results. However, if the panel members are basically heterogenous (with broad representation), a larger number is necessary to achieve reasonable quality (Taylor and Judd, 1989). Norman Dalkey, an expert in Delphi methodology, recommends a 30-35 member panel for social issues (Gow, 1979), while Taylor and Judd (1989) suggest a 20-30 panel member for environmental forecasting. The panel participates in a group communication through a series of controlled questionnaires referred to as rounds or phases. For an unmodified Delphi the first questionnaire typically consists of open-ended sentences/questions concerning the problem to be addressed. The first round of



replies is edited, and summaries are prepared showing their range and distribution. Results of the first round are the basis for the second round. In the second round the panelists are asked to reevaluate their responses from round one in light of summaries of responses, and to indicate the reasons behind any given reply which varies significantly from the general distribution. These responses are again edited, and new summaries are developed and sent out as round three to panelists. During the third round the panelists are asked to change their rating to that of the mode or to provide arguments against change. A final editing and analysis of the last round is conducted for a final report.

As previously mentioned, the Delphi technique was originally intended and has been most often used as a forecasting tool (Helmer, 1975; Bardecki, 1984; Moutinho and Witt, 1995). A variety of other application areas have already been developed. Some of these application areas, as provided by Linstone and Turoff (1975), are

- Gathering current and historical data not accurately known or available;
- Evaluating possible budget allocations;
- Exploring urban and regional planning options;
- Planning university campus and curriculum development;
- Delineating the pros and cons associated with potential policy options;
- Developing causal relationships in complex economic or social phenomena;
- and
- Distinguishing and clarifying real and perceived human motivations.

In addition, Miller (1988) used the technique in developing accreditation standards for faculty in four-year hospitality management education programs while Green, Hunter and Moore (1990) used the technique as a way to assess the

environmental impact of future developments. On the other hand, Kim (1992) developed a framework for identification of political and environmental issues faced by multinational hotel chains in newly industrialized countries in Asia using the technique. More recently, Miller (2001) used the technique to develop indicators that can be used by consumers to assist in their choice of holidays and promote a more sustainable form of tourism.

#### *Selection of Panelists*

The panel members were solicited from four sectors in the 10 Southeast Asian countries: (1) industry associations; (2) academic institutions; (3) government tourism organizations; and (4) non-government organizations. The experts were chosen on the basis of their experience in the industry and their knowledge about the tourism environment in the study area. Government and industry participants had more than 10 years work experience in the tourism industry and at least 2 years in their current jobs. Panel experts from academia had all published extensively about tourism in the region. The sample size was designed to have about 30 members based on the recommendation of Norman Dalkey, an expert in Delphi technique, for social issues. However, nominations were made for more than 50 persons in order to allow the attrition during rounds. Recommendations for possible representatives were obtained from the national tourism organizations of the 10 countries (refer to Appendix 1 for the complete list of the ten national tourism organizations).

Letter of invitation to participate in the panel was sent to the nominees (Appendix 2) together with a package of materials for Round I of the Delphi process (Appendix 3). The intentions, purposes, and topics were clearly stated in the letter of invitations and Round 1 materials. The letter emphasized their anonymous participation as an expert with a group of their peers. The letter included a personal

information sheet. Return of the information together with the answers to the Round 1 questionnaire were considered as an agreement on the part of the panel member to participate in the total Delphi process. Any nominated panel member who did not return the information sheet and the questionnaire by the deadline set were reminded by follow-up letters and were contacted by telephone and asked about their intention to participate. These strategies were used to gain acceptance and trust from the panel members. Acceptance and trust strategies were included in the study to reduce the likelihood that panel members would exaggerate, minimize or distort their responses (Henderson, 1991). Endorsement letters from international tourism associations in the region (i.e. PATA, ASEANTA) were done as an additional trust developing procedure. The purpose of developing interest and rapport was to minimize constrained answers.

#### *Panel Composition*

The composition of the expert panel and the extent of attrition in successive rounds are shown in Table 3.1. Despite the relatively small number of panelists, the research required quality responses rather than quantity. It is more important to select panelists based on their high level of expertise, which enables them to comment on the research in question.

Table 3.1: Membership of the Delphi Panel

Delphi Panel	First Round	Second Round	Third Round
By Country Location			
Cambodia	3	3	3
Indonesia	4	3	3
Malaysia	3	2	2
Myanmar	1	1	1
Philippines	5	4	4
Singapore	3	2	2
Thailand	4	4	4
Total	23	19	19
By Sector			
Public	11	9	9
Private	5	5	5
Academe	5	3	3
Non-government organization	2	2	2
Total	23	19	19

A total of 23 experts completed the first round, 19 experts for the second and third round. The extent of attrition from the first to the second round was around 10 percent. The external validity measures of random selection and sufficiency of numbers were not relevant. The purpose of this study is to understand destination competitiveness, it did not intend to generalize the concepts to a particular population (Henderson, 1991:32)

*Questionnaire Construction and Data Collection Process*

The study utilized three questionnaires in three rounds. In Round 1, the first questionnaire was developed following a review of literature and asked the panelists questions pertaining to the areas of interest namely the key factors that determine the success or competitiveness of a major tourism destination in Southeast Asia (Appendix 4). Generally, the first phase allows for complete freedom to explore the topic (Miller, 1988). Given the exploratory nature of the first round, its questionnaire contained open-ended questions, in contrast to the two succeeding rounds that followed. The open-ended questions were patterned after the questions

used by Crouch and Ritchie in conducting their focus group discussions when they first developed their destination competitiveness model. The responses from panel experts were then categorized under appropriate themes to be included in the second round questionnaire.

In the second questionnaire the panel experts rated the factors based on the data collected from the panel in Round I (Appendix 5). Factors identified from Round I were listed with a five point Likert-type scale for rating based on the level of importance of the factor on tourism competitiveness of a country destination in Southeast Asia. Panel experts rated the factors, using a scale from 1 (“not important at all”) through 5 (“very important”). During Round II the panel experts were given an opportunity to add or change factors. In Round III, the questionnaire was concerned with re-examination of key factors based on the results of the second questionnaire. The factors were listed with the rating of each panel member with the most frequently chosen responses enclosed in brackets and each panelist’s response underlined (Appendix 6). Round III allowed for the panel experts to reach an agreement on selecting the factors that were considered important for tourism competitiveness of a country destination in Southeast Asia. The third and final round questionnaire included the most frequently chosen rating for each factor (mode) obtained in the second round and provided panel experts with the opportunity to compare and, if they deemed necessary, to revise their answer in light of the results. In each of the three stages, respondents were invited to provide additional qualitative information on any of the questions.

In each round a package of materials was sent by post and electronically to panel experts including a cover letter, instruction sheet, questionnaire, and self-

addressed stamped return envelope. The initial letter provided a brief overview of the study and a general outline of the time involved in participating in the study.

#### *Data Organization*

Strauss (1987) referred to data organization as the conceptualization of data. After Round 1, data reduction, the process of selecting, focusing, simplifying, abstracting, and transforming the “raw” data, was undertaken by means of coding and indexing all responses of the panel members. Codes or indices for the data discovered from Round 1 were based from the identified factors and set of indicators in Dwyer and Kim’s integrated model of destination competitiveness. A filing system was developed for keeping track of the data. Data display, the process of making visual pictures of how the data are emerging, was systematically used. A display of the data in the form of matrices, tables, maps, and checklists facilitated the development of the framework.

#### *Data Analysis*

The complete data analysis process included the simultaneous techniques of discovery, coding and displaying data, and interpreting data in its context (Taylor and Bogdan, 1974). The key factors in Round 1 were determined using the constant comparison technique. Constant comparison technique is a systematic method for recording, coding and analyzing data. The goal of the technique is to maximize credibility through comparison of groups and data. It involves comparisons among data, data sets, literature, and different groups sampled. All key factors listed by the panel members in Round I was included in the Round II questionnaire. The mode for each factor in Round II was determined and reported in Round III along with the initial response of the panel member. The number of votes in each important category for each factor was at the completion of Round III after the experts have

finalized their ratings compared to the majority's rating. Factors having received a two-thirds majority of the responding panel experts for the rating category of very important (5) were included in the framework.

### **3.2 Phase 2 - Monitoring Progress Towards Tourism Competitiveness of Southeast Asian Country Destinations**

In exploring the feasibility of monitoring progress towards destination competitiveness using available tourism and human development indicators, the case study research strategy was used. Yin (1984: 23) defines the case study research method as “an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used”. Researchers have used the case study research method for many years across a variety of disciplines. Social scientists, in particular, have made wide use of this qualitative research method to examine contemporary real-life situations and provide the basis for the application of ideas and extension of methods. Case study research excels in bringing researchers to an understanding of a complex issue or object, extend experience or add strength to what is already known through previous research. Case studies emphasize detailed contextual analysis of a limited number of events or conditions and their relationships.

Critics of the case study method believe that the study of a small number of cases can offer no grounds for establishing reliability or generality of findings. Others feel that the intense exposure to study of the case biases the findings. Some dismiss case study research as useful only as an exploratory tool. Yet researchers continue to use the case study research method with success in carefully planned and

crafted studies of real-life situations, issues, and problems. “As a research strategy, the case study is used in many settings, including:

- Policy, political science, and public administration research;
- Community psychology and sociology;
- Organizational and management studies;
- City and regional planning research, such as plans, neighborhoods, or public agencies, and
- The conduct of a large proportion of dissertations and theses in the social sciences (Yin, 1994: 13)”

Yin (1994) identified five components of research design that are important for case studies:

- A study's questions
- Its propositions, if any
- Its unit(s) of analysis
- The logic linking the data to the propositions
- The criteria for interpreting the findings (Yin, 1994, p. 20).

This study followed Yin’s (1994) suggested techniques for organizing and conducting the case study research successfully. The six steps used were:

- Determine and define the research questions
- Select the case and determine data gathering and analysis techniques
- Prepare to collect the data
- Collect data in the field
- Evaluate and analyze the data
- Prepare the report



*Step 1: Determine and Define the Research Questions*

The first step in case study research was to establish a firm research focus. The researcher established the focus of the case study by forming questions about the situation or problem to be studied and determining a purpose for the study. The results of Phase 1 provided added focus to the case study. To assist in targeting and formulating the questions, the researcher conducted a literature review and established what research has been previously conducted and led to refined, insightful questions about the problem. The research focus for the case study was “how to monitor progress towards destination competitiveness using available tourism and human development indicators?”

Careful definition of the questions pinpointed where to look for evidence and helped determine the methods of analysis used in the study. The literature review on the statistical and development indicators of Southeast Asia, the definition of the purpose of the case study that is to explore the feasibility of using available tourism and human development indicators to monitor progress towards destination competitiveness guided how the case study was designed and conducted.

*Step 2: Select the Case and Determine Data Gathering and Analysis Techniques*

Case studies can be either single or multiple-case designs. Single cases are used to confirm or challenge a theory, or to represent a unique or extreme case (Yin, 1994). Single-case studies are also ideal for revelatory cases where an observer may have access to a phenomenon that was previously inaccessible. Single-case designs require careful investigation to avoid misrepresentation and to maximize the investigator's access to the evidence. These studies can be holistic or embedded, the latter occurring when the same case study involves more than one unit of analysis. Multiple-case studies follow a replication logic.

The research objects in the case study are the ten country destinations in Southeast Asia viewed as tourist destination individually and collectively. Each country tourist destination in Southeast Asia is intricately connected to political, social, historical, and personal issues, providing wide range of possibilities for questions and adding complexity to the case study. The researcher selected the single case of Southeast Asian region but examined the different major country tourist destinations in the region.

The researcher investigated the object of the case study using secondary data analysis to produce evidence that leads to understanding of the case and answers the research questions. The researcher determined in advance what evidence to gather (e.g. tourist arrivals, tourist receipts, population statistics, human development statistics, etc.) and what analysis techniques to use with the data (e.g. tourist intensity index, human development index) to answer the research questions. Data gathered was largely secondary data on available tourism and human development indicators.

#### *Step 3: Prepare to Collect the Data*

Because the case study research generated a large amount of data from multiple sources, systematic organization of the data is important to prevent the researcher from becoming overwhelmed by the amount of data and to prevent the researcher from losing sight of the original research purpose and questions. Advance preparation assisted in handling large amounts of data in a documented and systematic fashion. The researcher prepared the databases to assist with categorizing, sorting, storing, and retrieving data for analysis.

#### *Step 4: Collect Data in the Field*

Stake (1995), and Yin (1994) identified at least six sources of evidence in case studies, namely: (1) documents, (2) archival records, (3) interviews, (4) direct

observation, (5) participant-observation, and (6) physical artifacts. Documents could be letters, memoranda, agendas, administrative documents, newspaper articles, or any document that is germane to the investigation. In the interest of triangulation of evidence, the documents serve to corroborate the evidence from other sources. Archival documents can be service records, organizational records, lists of names, survey data, and other such records. Interviews are one of the most important sources of case study information. Direct observation occurs when a field visit is conducted during the case study. This technique is useful for providing additional information about the topic being studied. Participant-observation makes the researcher into an active participant in the events being studied. Physical artifacts can be tools, instruments, or some other physical evidence that may be collected during the study as part of a field visit. The perspective of the researcher can be broadened as a result of the discovery.

The researcher collected and stored multiple sources of evidence comprehensively and systematically, in formats that could be referenced and sorted so that converging lines of inquiry and patterns could be uncovered. The researcher conducted field visits to Thailand and Philippines primarily to collect documents and archival records related to tourism performance data and human development statistics. Personal interviews of tourism officials were also conducted to verify information gathered from literature regarding tourism development in Southeast Asia. The researcher used field notes and databases to categorize and reference data so that it was readily available for subsequent reinterpretation.

#### *Step 5. Evaluate and Analyze the Data*

Miles and Huberman (1984) suggested analytic techniques such as rearranging the arrays, placing the evidence in a matrix of categories, creating

flowcharts or data displays, tabulating the frequency of different events, using means, variances and cross tabulations to examine the relationships between variables, and other such techniques to facilitate analysis. The researcher examined the secondary data using many interpretations in order to find linkages between the research object and the outcomes with reference to the original research questions. Specific techniques like placing information into arrays, creating matrices of categories, creating flow charts or other displays, and tabulating frequency of events were undertaken. The researcher used the quantitative data that has been collected to corroborate and support the qualitative data which is most useful for understanding the rationale or theory underlying relationships. Another technique used was the cross-case search for patterns, finding a pattern from one country destination and corroborated by the evidence from another.

*Step 6. Prepare the report*

The technique used for composing the case study report was treating the case as a chronological recounting and tracking the state of human development and tourism development in Southeast Asia

### **3.3 Summary of the Chapter**

A detailed discussion of the research methodology was presented in this chapter. In this research, the qualitative method was first employed to explore and develop the framework of tourism competitiveness in the context of Southeast Asian country destinations. The Delphi technique was used to achieve this objective. The Delphi technique is described by Kaynak and Macauley (1984:90) as “a unique method of eliciting and refining group judgment based on the rationale that a group of experts is better than one expert when exact knowledge is not available”. To develop the framework a consensus among tourism experts in the region was taken regarding the key success factors of tourism competitiveness and their relative importance. The results of the experts survey then served as inputs in the development of a procedure for monitoring the progress towards destination competitiveness through the use of objective tourism and social indicators. Case study research method was used to explore the feasibility of monitoring progress towards tourism competitiveness using available tourism and human development indicators.

## Chapter 4

### 4.0 Research Findings

In this chapter, the results of the Delphi survey are presented and the proposed framework of tourism competitiveness for Southeast Asian country destinations is discussed. Finally, the proposed approach of monitoring progress towards tourism competitiveness is presented.

### 4.1 Proposed Framework of Tourism Competitiveness

#### 4.1.1 Research Findings from the Delphi Survey

##### *Findings from Round I*

In the first round of the Delphi survey, the panelists were asked to identify the factors that determine the success or competitiveness of a tourism destination on a country level in Southeast Asia; the strategies to improve the competitive position of a country destination in a short/long term; and the factors needed to have a successful management of a destination. Given the exploratory nature of the first round, its questionnaire contained open-ended questions, in contrast to the two succeeding rounds that followed. The initial responses of the panel experts were coded, categorized and compared with the factors and indicators of destination competitiveness gathered from the literature review. The factors and indicators identified by Ritchie and Crouch (2000) and Dwyer and Kim (2003) used in categorizing the panel experts' responses in the first round were as follows:

- **Resources** category is divided into two types: endowed (inherited) and created. **Endowed resources**, in turn, is classified as Natural (mountains, lakes, beaches, rivers, climate etc.) and Heritage or Cultural (cuisine, handicrafts, language, customs, belief systems etc.). **Created Resources** include tourism infrastructure, special events, the

range of available activities, entertainment and shopping. **Supporting Resources** (or enabling factors) include general infrastructure, quality of service, accessibility of destination, hospitality and market ties. (Dwyer and Kim, 2003)

- ***Situational Conditions*** are forces in the wider external environment that impact upon destination competitiveness. Situational conditions relate to economic, social, cultural, demographic, environmental, political, legal, governmental, regulatory, technological, and competitive trends and events that impact on the way firms and other organisations in the destination do business, and present both opportunities and threats to their operations (Dwyer and Kim, 2003). These conditions correspond to the Qualifying and Amplifying determinants as identified by Crouch and Ritchie (1999).
- ***Destination Management*** pertains to the factors 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 constraints imposed by the [situational conditions]’ (Crouch & Ritchie, 1999: 149). The category includes the activities of destination management organisations, destination marketing management, destination policy, planning and development, human resource development and environmental management (Ritchie & Crouch, 2000).
- ***Demand Conditions*** comprises three main elements of tourism demand-awareness, perception and preferences. (Dwyer and Kim, 2003)

In Round 1 of the Delphi survey, the panel experts identified the following factors that determined the success or competitiveness of a tourism destination on a country level in Southeast Asia: (a) the resources of the destination which consists of its endowed, created and supporting resources; (b) the “situational condition” of the destination which consists of the forces in the wider external environment that impact upon the destination and its competitiveness; (c) the management of the destination which consists of the factors that enhance the attractiveness and appeal of the destination; and (d) the demand conditions of the destination which consists of the awareness, perception and preferences of the destination’s travel market. Table 4.1 presents the summary of the panel experts’ responses in Round 1 and the corresponding factor category.

The panel experts further identified strategies to improve the competitive position of a country destination in a short/long term, as well as, the elements of a successful destination management. The strategies identified by the panel experts were activities pertaining to destination management organisations, destination marketing management, destination policy, planning and development, human resource development and environmental management.



Table 4.1 Round I Results – Identified Factors of Tourism Competitiveness in Southeast Asia

Factor	Panel experts' responses
Endowed resources	<ul style="list-style-type: none"> <li>• Natural and cultural resources</li> <li>• Potential of tourism resources</li> <li>• Variety of tourist attractions (cultural and natural resources)</li> <li>• Inherent comparative advantages</li> <li>• Core resources and attractions</li> <li>• Range of diversified and very attractive natural, cultural and historical attractions which are managed in a sustainable manner</li> <li>• Comparative advantage of a destination such as its natural and cultural resources, infrastructure and support services and facilities</li> <li>• Unique range of cultures and peoples</li> <li>• Environmentally clean destinations acceptable to tourists</li> <li>• Exotic physiographic natural attractions</li> <li>• Interesting culture and ways of life</li> <li>• Attractiveness and uniqueness of product</li> </ul>
Created resources	<ul style="list-style-type: none"> <li>• World class tourism facilities, services and infrastructures</li> <li>• Comparative advantage of a destination such as its infrastructure and support services and facilities</li> <li>• Unique product that has appeal, attractiveness, diversity, quality and accessibility</li> <li>• Higher visitor satisfaction levels</li> <li>• Well-developed or strongly developing infrastructure</li> <li>• Providing multiple services, something different from traditional way of tourism</li> <li>• Value for money</li> <li>• Diversified tourism activities</li> <li>• Attractive and reasonable price of local cuisine</li> </ul>
Supporting Resources (enabling factors)	<ul style="list-style-type: none"> <li>• General infrastructure</li> <li>• Accessibility</li> <li>• Facilitation of travel (visa, air/road/water link)</li> <li>• Ease of access by air, sea or land to the destination from the major markets and within the destination itself</li> <li>• Competitive cost of access, especially air fares</li> <li>• Access and proximity to international airport transport network</li> <li>• Safety and security</li> <li>• Providing support services with high quality service</li> <li>• International standard tourism facilities</li> <li>• Effective delivery of services</li> <li>• Understanding and fulfilling demands of clients</li> <li>• Friendliness and responsiveness of the locals towards foreign visitors</li> <li>• Hospitality of local residents toward tourists</li> </ul>

Table 4.1 (continuation): Round I Results – Identified Factors of Tourism Competitiveness in Southeast Asia

Factor	Panel experts' responses
Destination management	<ul style="list-style-type: none"> <li>• Management of tourism by governments</li> <li>• Government policy to support tourism</li> <li>• Integrated planning of marketing and product development</li> <li>• Effective destination marketing and promotion</li> <li>• Tourist attractions are packaged by the tour operators in a creative manner to meet the needs/demands of different market segments</li> <li>• Having a product development strategy, a market positioning statement, a distinctive brand which differentiates it from its competitors</li> <li>• Having a marketing plan and an accompanying promotions plan which is amply funded over a period of time so that the marketing campaign is sustained</li> <li>• Effective marketing strategy</li> <li>• Promotional budget</li> <li>• Innovation and new ideas</li> <li>• Provision of resources (human, knowledge, capital and infrastructure)</li> <li>• Well developed human resources</li> <li>• Flexibility</li> <li>• Active government intervention</li> <li>• Protection of the rights and needs of local people</li> <li>• Ability to differentiate and achieve uniqueness</li> <li>• Sustainability of attractions</li> </ul>
Situational conditions	<ul style="list-style-type: none"> <li>• Safety, security and stability in all aspects</li> <li>• Political, economic, social stability</li> <li>• Price, good value for money tour package</li> <li>• Support from local &amp; national government towards tourism and private sector</li> <li>• Source of local &amp; international financial support</li> <li>• Good corporate governance</li> <li>• Strong public-private sector partnership in developing, managing, and marketing/promoting the destination</li> <li>• Level of support the government can give to stimulate investment in tourism infrastructure and promotion</li> <li>• Easily affordable cost of living (tourism services, transportation, shopping, etc.)</li> <li>• Price competitiveness</li> </ul>
Demand conditions	<ul style="list-style-type: none"> <li>• Image</li> <li>• Perceived peace and order conditions or security</li> <li>• Perception of destination's location, security &amp; safety, attractiveness, infrastructure and prices</li> </ul>

*Findings from Round II*

In the second round, the factors identified by the panel experts in Round I were provided with pertinent indicators that were gathered from destination competitiveness literature. The different factors and indicators were listed with a five point Likert-type scale for rating based on the level of importance of the factor on tourism competitiveness of a country destination in Southeast Asia. Most of the indicators given for each factor were rated “moderately important” (4) and “very important” (5). Only “climate of destination”, “amusement/theme parks”, “diversity of shopping experience”, and “variety & quality of sports facilities” were rated “important” (3). Table 4.2 presents the average rating (mode) of the different indicators per factor.

Table 4.2 Round II Results – Average Rating of Identified Factors/Indicators of Tourism Competitiveness in Southeast Asia

Indicators	Ave. Rating (Mode)
Natural wonders/scenery	5
Flora and fauna (eg. animals, birds, forests)	5
Historic/heritage sites including museums	5
Artistic and architectural features	4
Traditional arts	4
Climate of destination	3
Cleanliness/sanitation of destination	5
Variety of cuisine	4
Unspoiled nature	5
Special events/festivals	4
Amusement/theme parks	3
Quality and variety of tourist activities (eg. water based, nature based, adventure activities)	5
Quality and variety of entertainment (eg. theatre, galleries, cinemas)	4
National parks, including nature reserves	4
Nightlife (eg. bars, discos, dancing)	4
Distinct and different culture/cultural and heritage/folk villages	5
Variety and quality of accommodation facilities	4
Value for money for tourism facilities and services	4
Efficiency/quality of airports (local and international)	5
Efficiency/quality of tourist guidance and information	5

Table 4.2 (continuation): Round II Results – Average Rating of Identified Factors/Indicators of Tourism Competitiveness in Southeast Asia

Indicators	Ave. Rating (Mode)
Efficiency/quality of transportation (land, air and sea; to and within destination)	5
Diversity of shopping experience	3
Diversity and quality of food services facilities	4
Capacity and quality of convention facilities	4
Variety and quality of recreation facilities (eg. parks, leisure facilities)	4
Variety and quality of sports facilities	3
Health and medical facilities to serve tourists	5
Financial institutions and currency exchange facilities	4
Tourism/hospitality firms having programs to ensure/monitor visitor satisfaction	5
Quality of tourism/hospitality services	5
Telecommunication system for tourists	4
Frequency/capacity of access transport to destination	5
Distance/flying time to destination from key origins	4
Direct flights/indirect flights into destination	5
Use of e-commerce in tourism/hospitality industry	4
Use of information technology by tourism/hospitality firms	4
Well defined performance standards in service delivery by tourism/hospitality firms	4
Programs to ensure/monitor visitor satisfaction by tourism/hospitality firms	4
Industry appreciation of importance of service quality	5
Existence of hospitality development programs for residents	4
Investment environment for tourism development	5
Safety/security of visitors	5
Effective public health system	5
Range and quality of tourism/hospitality education and training programs	4
Responsiveness of tourism firms to visitor needs	5
Ongoing tourism development responsive to community needs	4
Ongoing tourism development responsive to visitor needs	4
Packaging of destination experiences for visitors	5
Value for money in destination tourism experiences	5
Value for money in shopping items	4
Present “fit” between destination products and consumer preferences	4
Communication between tourists and residents	5
Efficiency of customs/immigration	5
Attitudes of custom/immigration officials	5
Attitudes of residents towards visitors	5
International awareness/perception of destination	5
International awareness/perception of destination’s specific product offerings	5

Table 4.2 (continuation): Round II Results – Average Rating of Identified Factors/Indicators of Tourism Competitiveness in Southeast Asia

Indicators	Ave. Rating (Mode)
Community support for special events	5
Destination links with major origin markets (eg. business/trade, sporting, ethnic, religious ties)	5
Links between tourism destination and travel trade	4
Overall destination image	5
Destination has clear policies in “social tourism” (eg. disabled, aged)	5
Quality of research input to tourism policy, planning and development	5
Tourism development integrated with overall industry development	5
Destination “vision” reflecting resident values	4
Destination “vision” reflecting industry stakeholders values	4
Visa requirements as impediment to visitation	5
Government leadership/commitment to tourism development	5
Resident support for tourism development	5
Public sector commitment to tourism/hospitality education & training	5
Private sector commitment to tourism/hospitality education & training	5
Tourism/hospitality training responsive to visitor needs	5
Public sector recognition of importance of “sustainable” tourism development and monitoring adherence to sustainable environmental principles	5
Private sector recognition of importance of “sustainable” tourism development and adherence to sustainable environmental principles	5
Extent of foreign investment in destination tourism industry	4
Level of cooperation (e.g. strategic alliances) between firms in destination	5
Entrepreneurial qualities of local tourism businesses	5
Access to venture capital by tourist firms	4
Extent of cooperation between public and private sector tourism organizations	5
Tourism/hospitality firms conforming to principles of business ethics	5
Reputation of the national tourism organization (NTO) for attracting visitation	4
Stable social, economic and political conditions in the destination	5
Strategies for unforeseen events	5

*Findings from Round III*

After the third round, the factors having received a two-thirds majority of the responding panel experts for the rating category of “very important” were included in developing the framework on how tourism should operate in Southeast Asia country destinations in order to achieve the maximum benefit for the visitors and hosts. Table 4.3 presents these “very important” factors.

Table 4.3 Round III Results - Most Important Factors of Tourism Competitiveness in Southeast Asia

Factor	Elements	Indicators
Endowed resources	Natural	Natural wonders/scenery
		Flora and fauna
		Cleanliness/sanitation of destination
	Cultural	Unspoiled nature
		Historic/heritage sites including museums
		Traditional arts
Created resources	Tourism infrastructure	Distinct and different culture/cultural and heritage/folk villages
		Efficiency/quality of airports (local and international)
		Efficiency/quality of tourist guidance and information
		Efficiency/quality of transportation (land, air, sea; to and within destination)
	Range of activities	Quality and variety of tourist activities (e.g. water based, nature based, adventure activities)
Supporting resources	General infrastructure	Health and medical facilities to serve tourists
		Safety/security of visitors
		Effective public health system
	Quality of service	Tourism/hospitality firms having programs to ensure/monitor visitor satisfaction
		Quality of tourism/hospitality services
		Industry appreciation of importance of service quality
		Efficiency of customs/immigration
		Attitudes of custom/immigration officials

Table 4.3 (continuation) Round III Results - Most Important Factors of Tourism Competitiveness in Southeast Asia

Supporting resources	Accessibility of destination	Frequency/capacity of access transport to destination
		Direct flights/indirect flights into destination
		Visa requirements as impediment to visitation
	Hospitality	Communication between tourists and residents
		Attitudes of residents towards visitors
		Resident support for tourism development
	Market ties	Destination links with major origin markets (e.g. business/trade, sporting, ethnic, religious ties)
Situational Conditions	Competitive (micro) environment	Responsiveness of tourism firms to visitor needs
		Packaging of destination experiences for visitors
		Level of cooperation (e.g. strategic alliances) between firms in destination
		Entrepreneurial qualities of local tourism businesses
		Extent of cooperation between public and private sector tourism organizations
		Tourism/hospitality firms conforming to principles of business ethics
		Strategies for unforeseen events
	Global (macro) environment	Investment environment for tourism development
		Stable social, economic and political conditions in the destination
	Price competitiveness	Value for money in destination tourism experiences

Table 4.3 (continuation): Round III Results - Most Important Factors of Tourism Competitiveness in Southeast Asia

Destination management	Destination marketing management	Overall destination image
	Destination policy planning and development	Tourism development integrated with overall industry development
		Quality of research input to tourism policy, planning and development
		Destination has clear policies in “social tourism” (e.g. disabled, aged)
		Community support for special events
	Human resource development	Public sector commitment to tourism/hospitality education & training
		Private sector commitment to tourism/hospitality education & training
		Tourism/hospitality training responsive to visitor needs
	Environmental management	Public sector recognition of importance of “sustainable” tourism development and monitoring adherence to sustainable environmental principles
		Private sector recognition of importance of “sustainable” tourism development and monitoring adherence to sustainable environmental principles
Demand conditions		International awareness/perception of destination
		International awareness/perception of destination’s specific product offerings

Differences in panel experts’ responses due to country locations and sector representations were examined. Grouped according to public and private sector, there were minor differences in the panel experts’ responses. The most important factors identified were the same, however, different responses in terms of degree of importance were reflected on some elements and indicators of the identified factors. The following indicators were deemed very important to the private sector panel



experts but not to the public sector panel experts: (1) financial institutions and currency exchange facilities; (2) quality of tourism/hospitality services; (3) use of information technology by tourism/hospitality firms; and (4) reputation of the national tourism organization for attracting visitors. On the other hand, the following indicators were deemed very important by the public sector panel experts but not to the private sector panel experts: (1) flora and fauna; (2) traditional arts; (3) variety of cuisine; (4) packaging of destination experiences for visitors; (4) value for money in destination tourism experience; (5) destination links with major origin markets; (6) quality of research input to tourism policy, planning and development; and (7) destination “vision” reflecting industry stakeholders values.

Grouped by location the panel experts’ responses revealed differences in the factors considered as most important for tourism success. Panel experts from Cambodia believed that natural and cultural resources are very important factors while the panel experts from Singapore believed that natural assets are largely irrelevant to success and competitiveness if the government is unable to maintain political and economic stability. Panel experts from Philippines and Thailand believed that infrastructure and accessibility are very important to their destination. Specifically, panel experts from Thailand have emphasized that the importance of international airport and airlines for incoming international tourist is very important for Indonesia, Malaysia, Thailand and Philippines. The panel experts from Thailand believed that air accessibility is very important for all the country destinations in the region.

In view of the fact that many tourism experts predict that there will be a further strengthening of intra-regional and domestic travels in Southeast Asia as uncertainties due to health, safety and security continues, the panel experts were

further asked whether the success factors for tourism competitiveness are different for the international and domestic market. The consensus response of the panel experts was in the affirmative. The competitiveness factors are different for the international and domestic market. Some factors that are considered very important to the international market may not be as important to the domestic market. The difference is attributed by the panel experts to the varying levels of needs and expectations of the international and domestic markets.

Among the factors identified by Ritchie and Crouch (2000) and Kim and Dwyer (2002), the panel experts considered the core resources and attractors, the supporting factors and resources, destination management, and demand conditions as the most important for the Southeast Asian country destinations. Further examination of the most important factors identified by the panel experts revealed that the most important factors for the Southeast Asian countries were the fundamental elements of destination competitiveness proposed by Heath (2003). The sustainable competitiveness model proposed by Heath (2003) seems to show clearer how tourism should operate in Southeast Asia in order to achieve destination competitiveness (refer to Table 4.4). The model provides an integrated treatment of the various issues surrounding the concept of competitiveness and has placed sufficient emphasis on the key success drivers (people) and the vital linkages (e.g. communication and information management) that need to be considered in developing a comprehensive framework of destination competitiveness. The results of the Delphi survey indicate that in order to achieve and sustain tourism competitiveness in the region the key fundamental elements of competitiveness should be developed and managed properly by the country destinations of Southeast Asia.

Table 4.4 Key Fundamental Elements of Tourism Competitiveness in Southeast Asia

The “Key Success Drivers”	A shared tourism vision/leadership/political will, guiding values and principles on “sustainable” tourism development, placing strategic priority on the “people” factor, clear policies in “social tourism”, entrepreneurship, community focus and human resources development, strategies for unforeseen events, stable social/economic/political conditions
The “Fundamental Non-Negotiables”	Safety/security of visitors, cleanliness/sanitation and health issues, effective public health system
The “Enablers”	Efficiency/quality of infrastructure (airports, roads, signage, transportation, health and medical facilities, etc.), frequency/capacity of access transport to destination, investment environment for tourism development, visa requirements
The “Value-Adders”	Location, value for money in destination experiences, packaging of destination experiences, responsiveness of tourism firms to visitor needs, linkages with surrounding destinations and major origin markets
The “Appropriate Facilitators”	Appropriate airline capacity, accommodation, distribution channels, efficiency/attitudes of customs/immigration officials
The “Experience Enhancers”	Efficiency/quality of tourist guidance and information, quality/variety of tourist activities, industry appreciation of importance of service quality, hospitality and attitudes of residents towards visitors, community support for special events, authentic experiences
The “Demand Conditions”	Overall destination image, international awareness/perception of destination and its specific product offerings

Adapted from Heath (2003) and Kim & Dwyer (2002) by the author

The panel experts were also asked what they considered as the most important criteria of tourism success or competitiveness (see Table 4.5). The identified most important criteria of tourism success were predominantly tourism demand indicators (e.g. volume of tourist arrivals, volume of tourist receipts, visitors' length of stay, visitors' patterns of expenditure, number of repeat visitors, visitors' satisfaction levels, destination image) and economic effect/impact indicators (e.g. income, employment, government resources for tourism development). The criteria identified by the panel experts were similar to measures of success in tourism destination management identified in the review of literature. In addition to these economic-based criteria, tourism supply-side aspects of tourism success (e.g. air transport linkages, number of air seats by major markets, cost of similar tour packages, marketing and infrastructure budgets, quality of services) and the social contributions of tourism were also identified as most important for Southeast Asian countries.

Table 4.5 Most Important Criteria in Assessing Success of A Tourism Destination

- |  |
|--|
| <ul style="list-style-type: none"> <li>• Total number of tourist arrivals (domestic and international)</li> <li>• Volume of international repeat visitors</li> <li>• Total tourism receipts</li> <li>• Average tourist expenditures per person per day</li> <li>• Net income after deducting linkages</li> <li>• Percent of tourism receipts to GDP</li> <li>• Average length of stay of tourists (international and domestic)</li> <li>• Number of jobs created</li> <li>• Satisfaction levels of tourists (international and domestic)</li> <li>• Destination image</li> <li>• Funds devoted for tourism development</li> <li>• Air transport linkage to the rest of the world</li> <li>• Benchmarking against main competitors (e.g. number of air seats by major markets, cost of similar tour packages, marketing and infrastructure budgets, quality of services)</li> <li>• Management skills of the workforce in tourism industry</li> <li>• Social benefits of tourism contributing to the country</li> <li>• Promotional budget of tourism bureau</li> </ul> |
|--|

#### 4.1.2 Proposed Tourism Competitiveness Framework for Southeast Asian Countries

According to Crouch and Ritchie (2000), the most competitive destination is one that brings about the greatest success - the most well-being for its residents on a sustainable basis and to be competitive, a destination's development of tourism must be economically, ecologically, socially, culturally and politically sustainable. Thus, tourism competitiveness, however measured or defined, centers on human development, growth and improved quality of life.

The proposed tourism competitiveness framework for Southeast Asian countries is based on the interrelationships between the tourism processes and social development outcomes. The starting point of the framework shows the basic elements of the integration tourism and social development (refer to Figure 4.1).

Development Policies and Programs	Tourism- Development Interaction Model	Development Goals and Objectives
Tourism and Development Policies/Programs	How tourism and development interact in real world	Desired tourism and development outcomes

Figure 4.1 Framework for Tourism-Development Integration: Basic Elements

The basic elements of this proposed tourism-development integration framework consists of:

- Development goals and objectives – a statement of what the destination wants to achieve on the basis of analysis of actual situation

- Development policies, strategies, programs and projects – the socio-economic and tourism policies, strategies, programs and projects formulated and implemented to achieve stated objectives
- Tourism-Development interaction model – how tourism and development are interrelated in the destination

A more detailed illustration of the framework is presented in Figure 4.2 with examples.

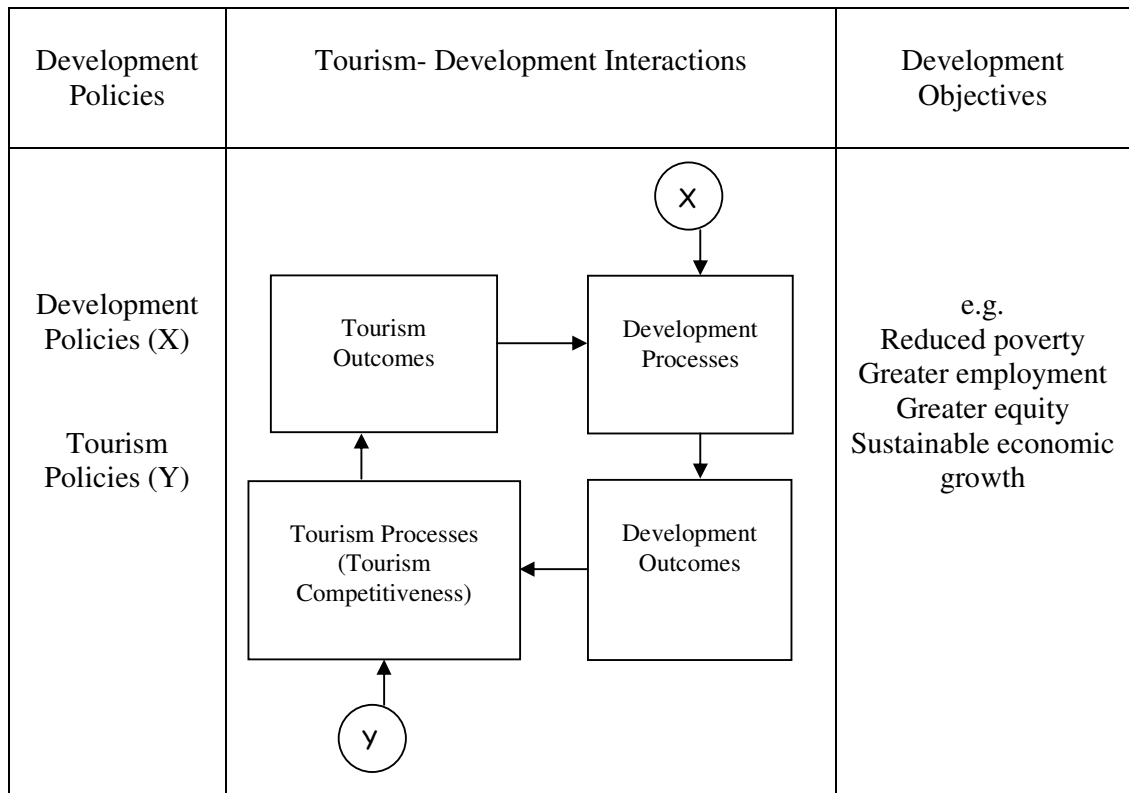


Figure 4.2 Illustrated Version of Tourism-Development Integration Framework

In Figure 4.2, the interaction model shows the relations of tourism and development factors and distinguishes processes and outcomes. The starting point for the model can be the tourism processes (e.g. achieving, enhancing and sustaining

tourism competitiveness) that produce tourism outcomes (e.g. measures of success in tourism development management), which in turn, influence development processes that produce development or socio-economic outcomes which, eventually also affect the tourism process which was the starting point. Any policy (X or Y) formulated to achieve development objectives will affect the various tourism or development processes, as well, as the tourism and development outcomes.

This interaction model is expanded so that specific tourism – development processes and outcomes can be identified. Figure 4.3 provides a more detailed overview of the framework. As has been observed in all tourism destinations, there is an interaction between the processes and outcomes, tourism factors on one hand and development factors on the other. The analysis of interrelationships can start anywhere in the framework, it can start with the tourism processes leading to the development processes or with the development processes eventually affecting tourism outcomes.

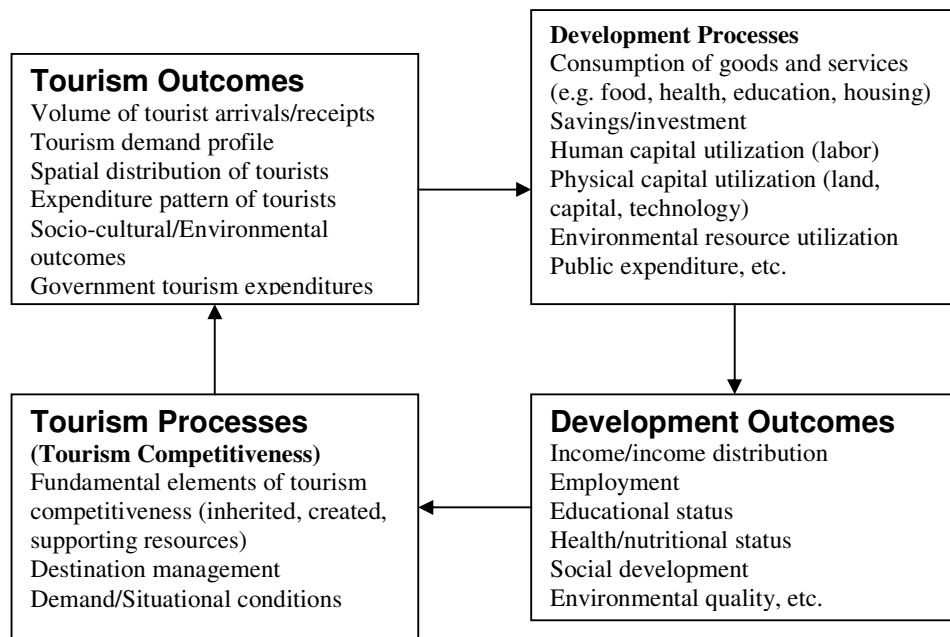
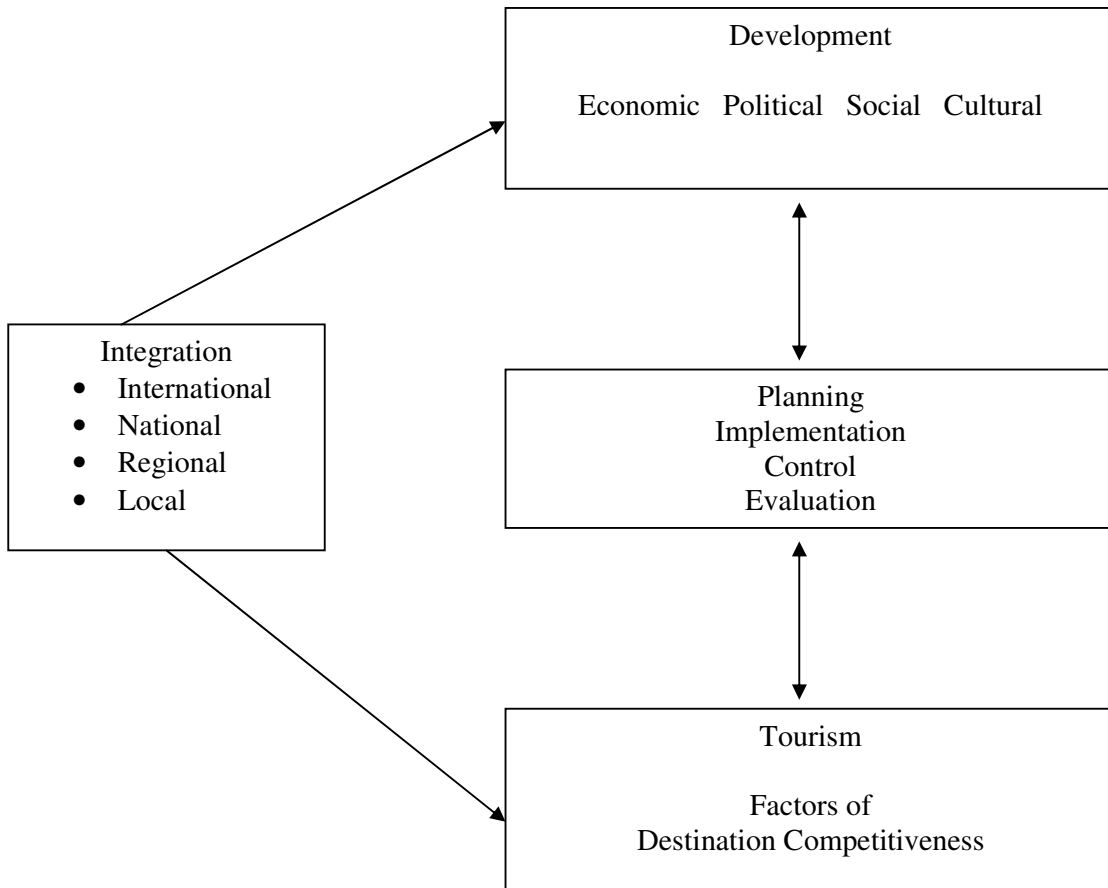


Figure 4.3 Framework of Tourism Competitiveness and Development Interrelationships



Source: Adapted from Louw and Smart,1998

Figure 4.4 Framework of Tourism for Development

The existing models of destination competitiveness based on economic growth and the traditional approach to tourism development that it should be considered as a form income generator has limited the conceptualization of tourism’s broader role and impact on social development. The idea that economic growth inevitably leads to development has guided the conceptualization of destination competitiveness models. However, development is the product of effective integration of the societal factors as a whole, in a way that will address the purpose or aspirations of the people in the destination (refer to Figure 4.4). The relationship



between development and tourism is one of multi-dimensional interdependence and interaction. The practical operationalisation of this relationship should be approached in terms of its real location (the tourist destination) to address its realities.

How might this framework be put to use? Country destinations in Southeast Asia could have three possible uses for the framework. The first is as a communication tool. The framework provides a starting point in understanding, investigating, assessing, discussing and sharing ideas and thoughts about a destination's competitiveness. Composed of a very large number of organizations, enterprises, groups and individuals participating in or associated with a destination's tourism industry and being fragmented in nature, the tourism stakeholders need to establish a language with which they can discuss and understand points of view and thereby educate each other.

The second use of the framework is as a management tool. The framework provides a vehicle for comprehending the magnitude and complexity of the challenges faced by destination policy makers, planners and managers as they seek to fulfill their responsibilities. The framework explicitly presents to destination managers that tourism should be planned, developed, managed and monitored in order to achieve the ultimate goal of destination competitiveness, the socio-economic well being of the destination's residents.

The third use concerns the application of the framework in order to undertake a destination diagnostics (i.e. does the present development of the destination meet the needs and aspirations of the residents of the destination?) together with a differential diagnosis for poverty reduction (i.e. the extent of poverty in the destination, the economic policy, the fiscal framework, physical geography and

human ecology, patterns of governance, cultural barriers to economic development, geopolitics). A tourism and development check list consisting of sets of questions that destination policy makers should monitor could be designed. This checklist could be the basis in designing tourism and development strategies and programs to address the critical barriers or gaps identified in the diagnosis. Tourism organizations in the country destinations of Southeast Asia seldom carry out a periodic or a whole country destination review. In addition, destination or tourism development plans rarely consider all the important fundamental elements of destination competitiveness and often focus on marketing or promotions issues alone.

## **4.2 Monitoring Progress Towards Tourism Competitiveness of Southeast Asian Countries By Tracking Human Development**

### **4.2.1 The Statistical and Development Indicators of Southeast Asia**

The previous referenced literature on destination competitiveness put forward the argument that as competition among tourism destinations intensify, each destination has to address the elements of destination competitiveness in a managerial and long-term perspective. However, the introduction of a longer-term strategic planning perspective to destinations is problematic since it is not as straightforward as in a commercial organization and each destination comprises a constantly shifting group of stakeholders and value systems (Cooper et al., 1998). The region recognizes the growing need for a more holistic and long-term approach to destination planning and management in order to achieve competitiveness and sustainability. However, policy agenda needs to be guided by accurate information on the kind of problems faced by the destination so that assumptions can be made

more realistically in planning and decision-making. A wide range of statistical data and indicators are needed for planning as well as for measuring progress and outcome. The nations in the region have varying degree of statistical development, practices and political system (Sutanto, 2001). Although the region's national tourism organizations generate the UNWTO-required tourism databases (e.g. visitors arrivals, tourist receipts, occupancy rates), many of the destinations in the region do not have all the required databases to undertake a thorough analysis of competitiveness and have very limited knowledge, capability and resources to generate these databases.

Sutanto (2001) discussed the statistical needs for the region, and the plan to develop an ASEAN Statistical Indicators (ASI) that includes the ASEAN Development Indicators (ADI) as its sub set. Focus was given to the development indicators in general, covering both the web-based indicators and the indicators that are not yet on the websites, with a view to identifying the data gaps and deficiencies so as to provide the rationale for more statistical development and improvement. Sutanto (2001) loosely defined development indicators as those that measure the achievement of the long-term objectives through the implementation of the agreed upon agenda for actions and strategies. The process indicators were defined to cover a set of indicators that measure the intermediate outcome (i.e. the progress of the implementation of the agreed upon agenda for actions and strategies). As regard the profile indicators, they are more of thematic indicators established with a special purpose of picturing major strengths and problems characterizing the region. ASI represents most of the needs for statistical information for the region, rooted from the need to measure the progress of implementation of regional cooperation and its outcome, and from the need to support planning and decision-making.

The ASEAN economic cooperation focuses on the promotion of a greater economic integration and a liberalized intra-trade, in particular to promote ASEAN toward a free trade area, a single investment area, a one tourism destination, and to promote a higher labour and capital mobility; with a view to increasing competitiveness and attractiveness of the region to foreign investors, and enhancing economic growth. While continued economic development pursued through the various regional cooperation in economy may result in improvement in welfare and social development, special efforts are needed to address the social development to maximize the development in the social sector. The financial crisis has urged such a need as it has led to negative economic growths, rising unemployment and poverty and many other social problems. A special need has also been expressed to address a longer concern that goes beyond the crisis impact, such as the need to address the social implications of trade liberalization, regional integration as well as restructuring (ASEAN, 1999).

As a result, regional cooperation in social sector has expanded from focusing on health and nutrition, population and basic education, to include the problems of employment, poverty, disadvantaged groups, including women, youth and elderly, urbanization, social safety nets to HIV-AIDS. As regard to the data requirement, one priority under the ASEAN Plan of Action on Social Development was set to strengthen the development of an ASEAN social indicators system, with a plan to integrate the social monitoring activities with the ongoing economic and financial surveillance process.

Among the most important information needed for the social monitoring are as follows (ASEAN, 1999):

- Poverty incidence
- Employment

- Unemployment rate and absolute number of unemployed
- Number of retrenchments/job losses
- Real wages
- Budget allocation/expenditure for health, education, social welfare
- School enrolment rates
- School drop out rate (% not attending primary/secondary school)
- Consumer price index
- Number applying for safety net programs

A number of statistical indicators have emerged in response to the increasing number of world summit as well as to the financial crisis (Sutanto, 2001). Selecting a relevant set of destination competitiveness indicators from these existing statistical indicators will be more practical and cost-effective for the region and the additional burden in resources needed for data generation will be minimal. This set of destination competitiveness indicators from existing statistical indicators can be used to monitor the achievement of the long-term objective of tourism development in the destination, the improvement of the economic and social well-being of the people in the destination.

#### **4.2.2 The State of Human Development in Southeast Asia**

For most of the Southeast Asian countries, the most compelling reason for pursuing tourism as a development strategy is its alleged positive contribution to the local or national economy. However, the extent to which tourism contributes to the national or local economy varies according to a variety of factors. As a basis for exploring the relationship between tourism and development, it is important to define not only the desired outcome of tourism, namely development, but also the means of achieving that outcome. The “key success drivers” in achieving tourism competitiveness are the “people” in the destination. The processes and outcomes of

tourism serving as a catalyst for a destination's future economic and social development depends on the destination's state of human development.

Using the social development theory as guiding principle for this study, it is believed that a society is ready to compete in the tourism marketplace when it possesses the requisite surplus energy, awareness and aspiration and has reached a higher state of human development.

The Human Development Index (HDI) summarizes the achievements of nations in three key dimensions: education, health, and economy. Unlike purely economic indices, HDI assumes that a human being needs more than just a good income. Income alone does not achieve sustained development. Economic welfare is rendered meaningful if a human being leads a long and a healthy existence. The three components of HDI: GDP, education (literacy and enrollment rate) and life expectancy, carry the same weight in the equation. That way the HDI can point to the advantages of nations, which seem to be lagging behind from the point of view of income.

The state of human development in Southeast Asia is characterized with wide disparities across countries (refer to Table 4.6). Singapore and Brunei—the smallest countries in the region both in terms of population and geographic size—rank the highest in terms of the seven indicators: Human Development Index-HDI, life, education, GDP, human poverty index, gender development index, and gender empowerment measures. These two countries fall in the “high human development” category based on HDI rank, life expectancy, education, and GDP values. Malaysia, Thailand, and the Philippines belong to a second cluster of upper “medium human development” countries in the region. They may appear to have a wider range of difference in their HDI ranking but are essentially much closer and less variant in

terms of life, education, and GDP indexes. Vietnam and Indonesia belong to a third category, which may be called medium “medium human development” countries. Although they appear to have a big difference in terms of HDI ranking, their life, education, and GDP indexes are much closer. Cambodia, Myanmar, Lao PDR, and Timor-Leste belong to the fourth group of countries (lower “medium human development”) in the region whose HDI ranking, life, education, and GDP indexes are quite close. These countries also have a higher level of human poverty index (HPI) relative to the other Southeast Asian countries, most notably Cambodia and Lao PDR.

Table 4.6 Human Development Indicators for Countries in Southeast Asia

Countries	HDI	HDI	HDI Rank	Life Exp Index	Educ. Index	GDP Index	GDP Per capita (PPPS)	Human Poverty Index Rank	Gender Devt Index Rank
	1990	2003	2003	2003	2003	2003	2003	2003	2003
Singapore	0.821	0.907	25	0.89	0.91	0.92	24481	6	
Brunei		0.866	33	0.86	0.86	0.88			
Malaysia	0.72	0.796	61	0.8	0.83	0.76	9512	16	50
Thailand	0.707	0.778	73	0.75	0.86	0.72	7595	28	57
Philippines	0.719	0.758	84	0.76	0.89	0.63	4321	35	63
Vietnam	0.61	0.704	108	0.76	0.82	0.54	2490	47	83
Indonesia	0.623	0.697	110	0.7	0.81	0.59	3361	41	87
Myanmar		0.578	129	0.59	0.76	0.39		50	
Cambodia	0.512	0.571	130	0.52	0.69	0.51	2078	81	99
Lao PDR	0.449	0.545	133	0.49	0.66	0.48	1759	72	102
Timor-Leste		0.513	140	0.51	0.64	0.39			
Mean	0.645	0.701		0.694	0.794	0.619	6950		
StanDev	0.122	0.134		0.143	0.093	0.182	7603		
CV (%)	18.870	19.113		20.675	11.770	29.436	109.41		

Source: Human Development Report 2005

The HDI rankings from 1991 to 2004 were gathered and the mean HDI rank between 1991 and 2004 per country was computed. In addition, the difference between the present rank (2004) and the average rank was also derived. This

difference was used to estimate the change over the last 14 years. The examination of the HDI rankings of the Southeast Asian countries revealed patterns of gains and losses in terms of human development. Over the last decade, the HDI rankings of Southeast Asian countries have changed with some countries gaining and others losing (refer to Table 4.7). On average, Indonesia and Thailand experienced the largest decrease in rankings, followed by Myanmar. Malaysia also experienced a decrease in its ranking, which, along with the cases of Indonesia and Thailand, could be attributed to the 1997 financial crisis. Meanwhile, Singapore had the highest improvement followed by Cambodia. Only Viet Nam did not experience a change when comparing its present rank to its average rank between 1991 and 2004.

Table 4.7 HDI Rankings of Southeast Asian Countries, 1991-2004

Country	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	Ave	D
Singapore	37	40	43	43	35	34	26	28	22	24	26	25	28	25	31	+6
Brunei	42	41	44	44	41	36	38	35	25	32	32	32	31	33	36	+3
Malaysia	52	51	57	57	59	53	60	60	56	61	56	59	58	59	57	-2
Thailand	66	69	74	54	58	52	59	59	67	76	66	70	74	76	66	-10
Philippines	84	80	92	99	100	95	98	98	77	77	70	77	85	83	87	+4
Indonesia	98	98	108	105	104	102	99	96	105	109	102	110	112	111	104	-7
Viet Nam	99	102	115	116	120	121	121	122	110	108	101	109	109	112	112	0
Myanmar	106	111	123	130	132	133	131	131	128	125	118	127	131	130	125	-5
Lao PDR	128	129	141	133	138	138	136	136	140	140	131	143	135	132	136	+4
Cambodia	140	136	148	147	153	156	153	140	137	136	121	130	130	135	140	+5
T. Leste	--	--	--	--	--	--	--	--	--	--	--	--	--	158	-	-

Source: Human Development Report 1991-2005

The value of the human development index from 1975 to 2003 was also examined to determine whether there was improvement in the level of human development. The difference between the latest and the earliest available HDI



values were computed. This difference was normalized by dividing its value with the number of years covered and the normalized value was considered the average difference.

Although Southeast Asian countries had experienced decreases in terms of their ranking, the human development index appears to have significantly improved since 1975 for most countries in the region (refer to Table 4.8). Despite the decrease in its rank, Indonesia had the most significant improvement (at a normalized value of .008) in terms of the difference in HDI values between 1975 and 2003, followed by Singapore (.007), Vietnam (.007) and Lao PD (.007). Thailand has decreased significantly in its rank but it still registered an improvement in HDI value between 1975 and 2003 (at a normalized value of .006). On the other hand, The Philippines had made an overall improvement in rank but had the least improvement in HDI value (at a normalized value of .004).

Table 4.8 HDI Trends in Southeast Asia, 1975-2003

	1975	1980	1985	1990	1995	2000	2003	D	Years	Ave
Singapore	0.725	0.761	0.784	0.822	0.861		0.907	0.182	28	0.007
Brunei							0.866			
Malaysia	0.615	0.659	0.695	0.721	0.76	0.79	0.796	0.181	28	0.006
Thailand	0.614	0.652	0.678	0.714	0.749		0.778	0.164	28	0.006
Philippines	0.654	0.687	0.693	0.72	0.736		0.758	0.104	28	0.004
Indonesia	0.468	0.53	0.583	0.625	0.663	0.68	0.697	0.229	28	0.008
Vietnam				0.617	0.66	0.695	0.704	0.087	13	0.007
Cambodia					0.533	0.541	0.571	0.038	8	0.005
Myanmar							0.578			
Lao PD			0.423	0.45	0.487	0.522	0.545	0.122	18	0.007
Timor-Leste							0.513			

Source: Human Development Report 2005

A large number of variables have been linked to the notion of destination competitiveness. These include objectively measured variables such as visitor numbers, market share, tourist expenditure, employment, value added by the tourism

industry, as well as subjectively measured variables such as “richness of culture and heritage”, “quality of tourism experience”. The ability of a destination to deliver goods and services has been measured by the volume of tourist arrivals and tourist receipts. Using data for the year 2003, the volume of international visitor arrivals, international tourist receipts, and tourist intensity rate (ratio of visitor arrivals and population) as the tourism outcome and the human development index as the development outcome, the correlation of these variables was examined to determine the relationship between tourism and development in Southeast Asia. Table 4.9 provides the correlation of HDI, tourist arrivals and tourist receipts of Southeast Asian countries.

Table 4.9 Correlation Values for Tourist Arrivals/Receipts and HDI Southeast Asia

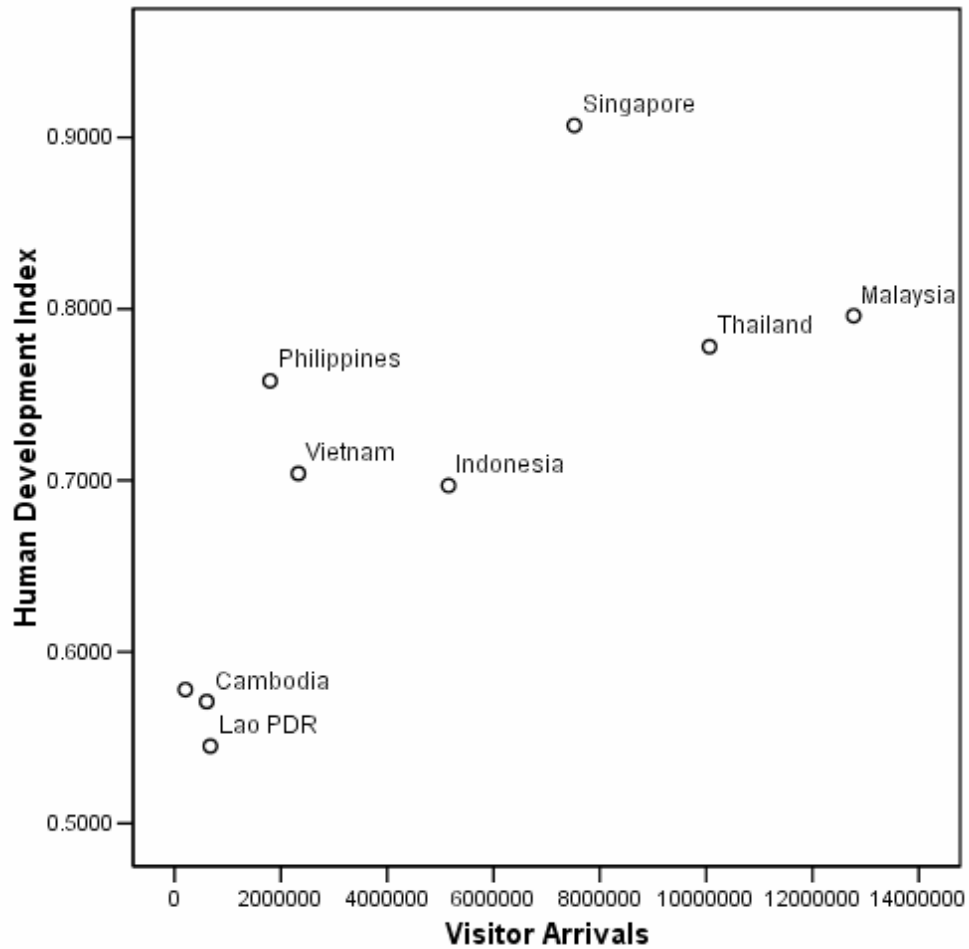
Country	HDI	TARR	TRECEIPTS
Cambodia	0.5710	605000	2.96E+08
Indonesia	0.6970	5154000	5.43E+09
Lao PDR	0.5450	674000	1.04E+08
Malaysia	0.7960	12775000	6.79E+09
Myanmar	0.5780	205000	90000000
Philippines	0.7580	1797000	1.72E+09
Singapore	0.9070	7519000	5.35E+09
Thailand	0.7780	10062000	6.73E+09
Vietnam	0.7040	2330000	1.37E+09

Correlation 0.743\* 0.781\*

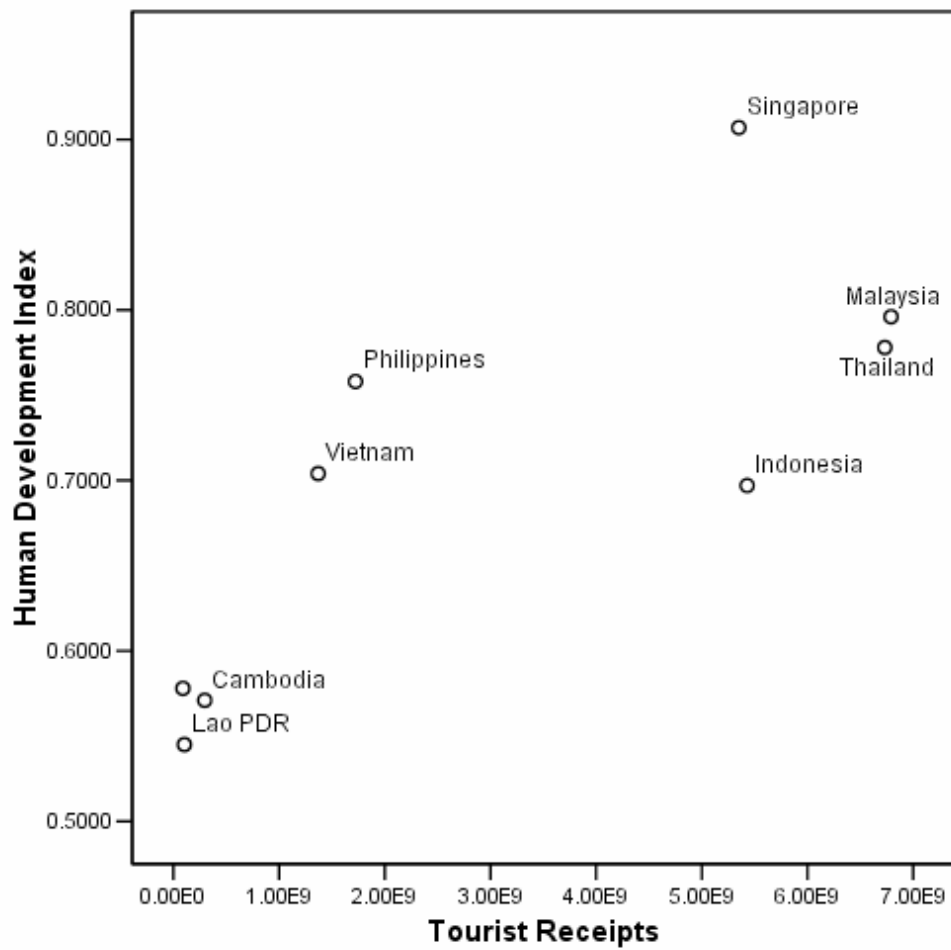
\*significant at the 0.05 level (2-tailed).

For Southeast Asia, there appears to be a link between human development and tourism competitiveness (see Figure 4.5, 4.6 and 4.7). Thus, in the absence of a more comprehensive and adequate database to build on the identified indicators of destination competitiveness, monitoring the human development of the country

destinations using the composite index HDI can provide insight on the progress towards achieving tourism competitiveness.



**Figure 4.5 Plot of HDI and International Visitor Arrivals, Southeast Asia, 2003**



**Figure 4.6 Plot of HDI and Tourist Receipts, Southeast Asia, 2003**

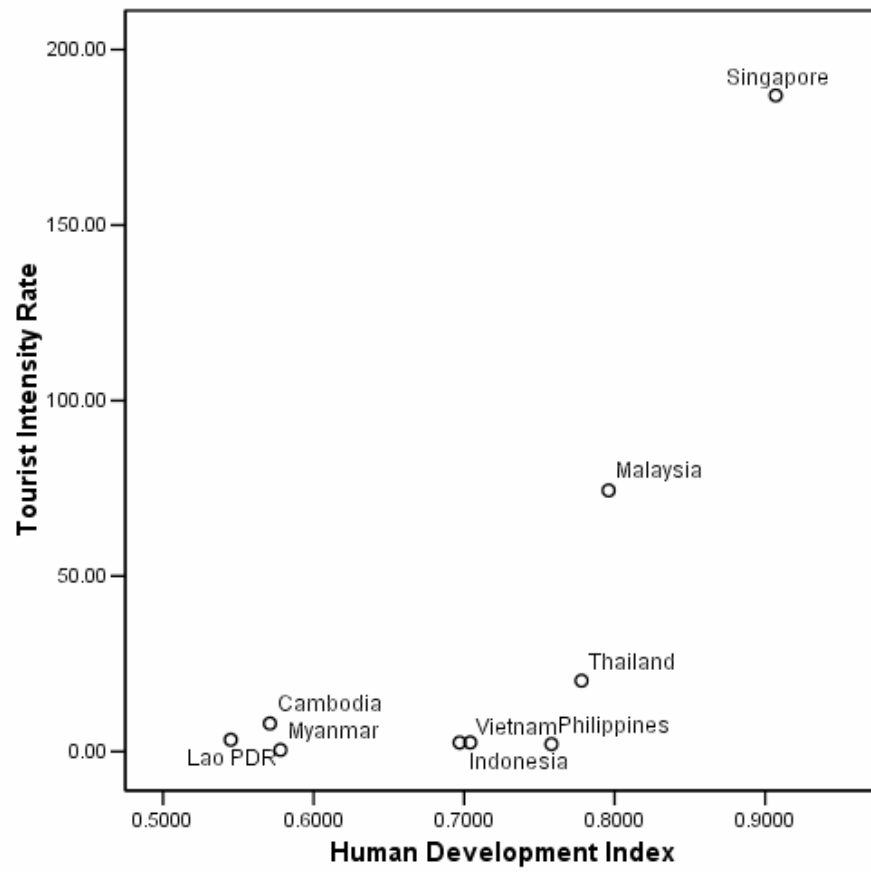


Figure 4.7 Plot of HDI and Tourist Intensity Rate, Southeast Asia, 2003

As can be seen from Figures 4.5 to 4.7, there seems to be three grouping of the country destinations in terms of both tourist intensity rate and human development index. The lower group consists of Cambodia, Lao PDR and Myanmar. The middle group consists of Indonesia, Philippines, Thailand and Vietnam. The high group consists of Malaysia and Singapore. Singapore is clearly the leader in the region with respect to tourist intensity rate and human development index.

Among the countries in the middle group depicted in Figure 2.7, Philippines and Thailand have often been compared. These two countries have been seen to have a lot of things in common – land area, economic structure, natural resources and goods traded in the international market. Data from the World Bank's World Development Indicators (WDI) show that in 1975 the Philippines and Thailand had roughly the same population: 43 million in the Philippines growing at about 2.56 percent that year and 41 million in Thailand growing at about 2.73 percent. During the period 1975–2000, the Philippines' GDP grew at an average of 4.1 percent, doubling income after 17 years. Thailand's GDP, on the other hand, grew at an amazing average rate of 8.8 percent for the same period (more than twice the growth rate of the Philippines), doubling income after only 8 years. While Thailand and the Philippines had also roughly similar population growth rates in 1975, the former was able to manage its population growth during the 25-year period, growing annually at an average of 1.58 percent only. The Philippines, however, maintained its relatively high population growth rate throughout the period, growing at an average of 2.36 percent per year in the 1990s. The total population of the Philippines ballooned to about 76 million in year 2000 while Thailand had about 61 million only. The weak

performance of the Philippine economy vis-à-vis Thailand's is clearly reflected in the poverty profile of the two countries.

Thailand has often been referred to as a success story in tourism development and marketing (Oppermann and Chon, 1997) and stood out in using tourism as a tool for economic recovery especially during the Asian financial crisis of 1997 (Rodolfo, 2005). "During the Asian financial crisis, Thailand faced currency devaluation and recession and revived the broader economy through intensified policy action on tourism including:

- Increased public/private sector investment in promotional spending;
- Relaxation of visa rules;
- New domestic and international airline competition – scheduled and charter, accelerated;
- Privatization of the national airline and regional airports;
- Leadership of the ASEAN regional tourism programme;
- Cooperation with other countries for promotion; and
- Focus on regional airline liberalization." (Rodolfo, 2005: 24)

Rodolfo (2005) examined the role of national government in facilitating or constraining the sustained growth of the national tourism industry. Her study showed that the economic sustainability of tourism is the primary driver of both countries' tourism industry. After examining the evolution of tourism policy in the two countries, she concluded that both countries share common challenges and they have adopted similar policies to address those challenges. The difference in the two countries was in "the degree of importance attached by stakeholders particularly to the policies" (Rodolfo, 2005: 71). She further identified the areas in the Philippines

tourism industry that need attention, namely, market and product development, organizational development, manpower development, infrastructure, resources management, and partnership for sustainable tourism. On the other hand, Thailand has to learn from its experiences on how excesses (e.g. environmental degradation, prostitution, cultural exploitation) can weaken the power of tourism to eradicate poverty and work towards developing a more sustainable tourism industry. Her study put forth the fact that “government plays a critical role in correcting market failures, minimizing the negative externalities created by tourism, and assisting in the distribution of benefits to communities.”(Rodolfo, 2005: 75).

### **4.3 Summary of the Chapter**

In this chapter, the results of the Delphi survey were presented. The panel experts considered the core resources and attractors, the supporting factors and resources, destination management, and demand conditions as the most important for the Southeast Asian country destinations. “A destination’s core resources and attractors describe the primary elements of destination appeal. It is these factors that are the key motivators for visitation to a destination. While other components are essential for success and profitability, it is the core resources and attractors that are the fundamental reasons that prospective visitors choose one destination over the other.” (Crouch, 2006).

Whereas the core resources and attractors of a destination constitute the primary motivations for inbound tourism, supporting factors and resources support or provide a foundation upon which a successful tourism industry can be established. The quality, range and volume of supporting factors and resources significantly shaped the tourism potentials of the countries in Southeast Asia. As reflected by the



findings of the Delphi survey, the countries in Southeast Asia should give highest priority to the following components of supporting factors and resources:

- Infrastructure – the condition of the destination’s basic facilities and services;
- Accessibility – the overall ease involved in getting to and into the destination;
- Facilitating resources – human, knowledge, financial & governmental assets;
- Enterprise – the destination’s entrepreneurial talent; and
- Political will – the level of support for tourism by political and community leaders

Another very important factor for country destinations in Southeast Asia identified by the panel experts was destination management. This factor includes destination policy, planning and development which pertains to the destination’s strategic framework and destination management which consists of the destination’s ability to implement a tourism strategy. These factors direct the form and structure of tourism development and help ensure that a competitive and sustainable destination is achieved and promoted whilst meeting the quality of life aspirations of destination’s residents.

The remaining most important factor identified by the panel experts is the demand conditions. Demand conditions according to the model of Dwyer and Kim (2003) comprise the three main elements of tourism demand, specifically, awareness, perception and preferences.

The proposed framework integrating tourism competitiveness and development was also presented and discussed in this chapter. The proposed framework derived from the experts survey illustrates the interrelationships and interaction between the processes and outcomes of tourism factors on one hand, and

development factors on the other. The basic elements of this proposed tourism-development integration framework consists of:

- Development goals and objectives – a statement of what the destination wants to achieve on the basis of analysis of actual situation
- Development policies, strategies, programs and projects – the socio-economic and tourism policies, strategies, programs and projects formulated and implemented to achieve stated objectives
- Tourism-Development interaction model – how tourism and development are interrelated in the destination

Finally, the proposed approach of monitoring progress towards tourism competitiveness was discussed. The processes and outcomes of tourism serving as a catalyst for a destination's future economic and social development depends on the destination's state of human development. For Southeast Asia, there appears to be a link between human development and tourism competitiveness. Singapore and Malaysia who are the leading destinations in the region in terms of international visitor arrivals have exhibited high score in Human Development Index. Thus, in the absence of a more comprehensive and adequate database to build on the identified indicators of destination competitiveness, monitoring the human development of the country destinations using the composite index HDI and the tourist intensity rate can provide insight on the progress towards achieving tourism competitiveness.

## **Chapter 5**

### **5.0 Summary, Conclusion and Recommendations**

The rapid expansion of both international and domestic tourism in Southeast Asia increased the awareness of the need for a comprehensive view of the social, economic, cultural, environmental and political issues, processes and problems related to tourism development and to understand its dynamics and impacts. Given the new challenges currently faced by the Southeast Asian countries and the enormous potential of tourism as a catalyst for the region's future economic and social development, the study sought to find the answers to following questions:

- How can country destinations in Southeast Asia achieve destination competitiveness?
- How can country destinations in Southeast Asia monitor progress towards achieving destination competitiveness?

The major focus of this final chapter is to present the summary of the findings, conclusion, implications of the findings and recommendations of the study. The chapter concludes with the limitations of the study and the suggestions for future research.

### **5.1 Summary of Findings**

The Asia-Pacific region has become an increasingly important tourist destination and now ranks second behind Europe in terms of total visitors, surpassing the Americas in 2001. Due its diversity in natural and cultural tourist attractions, Southeast Asia is seen as having a strong potential to capitalize on international tourism growth and to participate in the strong regional growth trends in the Asia-Pacific region. In 2003, the services sector dominated in Cambodia, Malaysia,

Philippines, Singapore and Vietnam while the industrial sector dominated in Brunei, Indonesia and Thailand. However, the agricultural sector dominated in Lao PDR and Myanmar.

The increasing personal and national affluence in the region and its improved accessibility to the tourist markets propelled the region to become one of the fastest growing regions for tourism globally. Tourism has a strategic role to play in the region's economic growth as well as in enhancing its rich and diverse heritage. International visitor arrivals to the region totaled more than 50.8 million by the end of 2005, reflecting an increase of more than 4.8 percent since 2004. The region has remained resilient in attracting international arrivals and the tourism ministers in the region have expressed the importance of the industry and in working together towards a common goal. On the demand side, there is a range of tourism market sizes and growth rates among the Southeast Asian countries. Among the higher developed countries in the region, the domestic tourism market is also significant and the current primary source of tourism market is intra-regional and short-haul travelers. On the supply side, the countries in the region have the range and diversity of attractions, activities and services to be able to compete with other destinations in the world. The region's economic cooperation focuses on the promotion of a greater economic integration and a liberalized intra-trade, in particular to promote ASEAN toward a free trade area, a single investment area, a one tourism destination, and to promote a higher labour and capital mobility; with a view to increasing competitiveness and attractiveness of the region to foreign investors, and enhancing economic growth.

In spite of the region's impressive economic and tourism performances, its progress is still hindered by several unresolved issues, internal political and social

instability. Economists from international development organizations believe that the major challenge for the region is to improve the quality of life of its people, to abolish abject poverty, to lessen lopsided development within individual countries, and to address the issue of proper utilization of the region's natural and human resources.

Every tourist destination aims for a successful tourism development where all the stakeholders work towards societal prosperity and improved quality of life. However, "development which might be appropriate for one destination might not be appropriate for a different destination for many different reasons" and "resources available within different destinations can dictate, constrain or shape very different approaches or tourism development goals" (Crouch, 2006).

In order to achieve the aims of the study and to answer the research question, "How can country destinations in Southeast Asia achieve destination competitiveness?" the factors determining tourism competitiveness in the region were investigated.

Among the factors identified by previous researchers of destination competitiveness (Crouch and Ritchie, 1993, 1999, 2000; Dwyer and Kim, 2003), the panel experts considered the core resources and attractors, the supporting factors and resources, destination management, and demand conditions as the most important for the Southeast Asian country destinations. "A destination's core resources and attractors describe the primary elements of destination appeal. It is these factors that are the key motivators for visitation to a destination. While other components are essential for success and profitability, it is the core resources and attractors that are the fundamental reasons that prospective visitors choose one destination over the other." (Crouch, 2006).

Whereas the core resources and attractors of a destination constitute the primary motivations for inbound tourism, supporting factors and resources support or provide a foundation upon which a successful tourism industry can be established. The quality, range and volume of supporting factors and resources significantly shaped the tourism potentials of the countries in Southeast Asia. As reflected by the findings of the Delphi survey, the countries in Southeast Asia should give highest priority to the following components of supporting factors and resources:

- Infrastructure – the condition of the destination’s basic facilities and services;
- Accessibility – the overall ease involved in getting to and into the destination;
- Facilitating resources – human, knowledge, financial & governmental assets;
- Enterprise – the destination’s entrepreneurial talent; and
- Political will – the level of support for tourism by political and community leaders

The panel experts from Thailand believed that “air accessibility is very important for all the destinations in the region”. In addition, the panel experts also identified land accessibility as an important mode of access for Malaysia to and from Singapore and Thailand. The financial stability and domestic airline reputations is deemed highly significant for Malaysia. The panel experts from Thailand and Philippines also cited the differences in the country destinations in the region with regards to airlines network, international services and global airlines cooperation.

The level of support for tourism by political and community leaders was deemed very important by majority of the panel experts. As a panel expert stated “community support, involvement, and cooperation in tourism program is very important in successful tourism destinations; if local residents are excluded in

tourism programs, they will feel alienated and may even sabotage these programs”. Another expert stated “tourism should be an integrated industry where all stakeholders including residents have a common vision to be successful”.

Another very important factor for country destinations in Southeast Asia identified by the panel experts was destination management. This factor includes destination policy, planning and development which pertains to the destination’s strategic framework and destination management which consists of the destination’s ability to implement a tourism strategy. These factors direct the form and structure of tourism development and help ensure that a competitive and sustainable destination is achieved and promoted whilst meeting the quality of life aspirations of destination’s residents.

The remaining most important factor identified by the panel experts is the demand conditions. Demand conditions according to the model of Dwyer and Kim (2003) comprise the three main elements of tourism demand, specifically, awareness, perception and preferences.

Further examination of the most important factors identified by the panel experts revealed that the most important factors for the Southeast Asian countries were the fundamental elements of destination competitiveness as proposed by Heath (2003). In order to achieve destination competitiveness, it is very important for the Southeast Asian countries to be able to:

- Provide and manage the “key attractors” (e.g. inherited – natural/culture and heritage, created attractors);
- Address the “fundamental non-negotiables” (e.g. personal safety, security and health issues and facilities);

- Provide the “enablers” (e.g. infrastructure – airports, roads, signage, etc. and managing capacity);
- Capitalize on the “value-adders” (e.g. location, value for money, and linkages with surrounding destinations);
- Ensure appropriate facilitators (e.g. appropriate airline capacity, accommodation, distribution channels, etc.); and
- Focus on the experience enhancers (e.g. hospitality, service excellence, authentic experiences).

It is also very important for the Southeast Asian countries to recognize that the key success drivers of tourism competitiveness are the following:

- A shared tourism vision and leadership;
- Guiding values and principles;
- Placing strategic priority on the “people” factor; and
- Political will, entrepreneurship, community focus and human resources development.

The experiences of Thailand and Philippines have shown the importance of these key success drivers. Additional lessons learned from the evolution of tourism development in these two countries are the importance of an appropriate integrated development policy and framework and a strategic and innovative destination marketing framework and a strong implementation focus of these frameworks. Strategic destination stakeholder partnership and strategic responsiveness to changes in the macro- and micro- environments are also important factors of tourism competitiveness in the region.

Although the attributes of destination competitiveness have been identified first by the model proposed by Crouch and Ritchie (1999), the model of Heath



(2003) provides an integrated treatment of the various issues surrounding the concept of competitiveness and has placed sufficient emphasis on the key success drivers (people) and the vital linkages (e.g. communication and information management) that need to be considered in developing a comprehensive framework of destination competitiveness which the Southeast Asian countries can follow in order to achieve tourism competitiveness. The results of the Delphi survey indicate that in order to achieve and sustain tourism competitiveness in the region the key fundamental elements of competitiveness should be developed and managed properly by the country destinations of Southeast Asia. The proposed framework derived from the experts survey illustrates the interrelationships and interaction between the processes and outcomes of tourism factors on one hand, and development factors on the other.

According to Crouch and Ritchie (2000), the most competitive destination is one that brings about the greatest success - the most well-being for its residents on a sustainable basis and to be competitive, a destination's development of tourism must be economically, ecologically, socially, culturally and politically sustainable. Thus, tourism competitiveness, however measured or defined, centers on human development, growth and improved quality of life.

The proposed tourism competitiveness framework for Southeast Asian countries is based on the interrelationships between the tourism processes and social development outcomes. The basic elements of this integration framework consists of:

- Development goals and objectives – a statement of what the destination want to achieve on the basis of analysis of actual situation

- Development policies, strategies, programs and projects – the socio-economic and tourism policies, strategies, programs and projects formulated and implemented to achieve stated objectives
- Tourism-Development interaction model – how tourism and development are interrelated in the destination

The interaction model shows the relations of tourism and development factors and distinguishes processes and outcomes. The starting point for the model can be the tourism processes (tourism competitiveness) that produce tourism outcomes, which in turn, influence development processes that produce development or socio-economic outcomes which, eventually also affect the tourism process which was the starting point.

As has been observed in all tourism destinations, there is an interaction between the processes and outcomes, the tourism factors on one hand and development factors on the other. The analysis of interrelationships can start anywhere in the framework, it can start with the tourism processes leading to the development processes or with the development processes eventually affecting tourism outcomes.

The region recognizes the growing need for a more holistic and long-term approach to destination planning and management in order to achieve competitiveness and sustainability. However, policy agenda needs to be guided by accurate information on the kind of problems faced by the destination so that assumptions can be made more realistically in planning and decision-making. A wide range of statistical data and indicators are needed for planning as well as for measuring progress and outcome. The nations in the region have varying degree of statistical development, practices and political system (Sutanto, 2001). Although the

region's national tourism organizations generate the UNWTO-required tourism databases (e.g. visitors arrivals, tourist receipts, occupancy rates), many of the destinations in the region do not have all the required databases to undertake a thorough analysis of competitiveness and have very limited knowledge, capability and resources to generate these databases.

For most of the Southeast Asian countries, the most compelling reason for pursuing tourism as a development strategy is its alleged positive contribution to the local or national economy. However, the extent to which tourism contributes to the national or local economy varies according to a variety of factors. As a basis for exploring the relationship between tourism and development, it is important to define not only the desired outcome of tourism, namely development, but also the means of achieving that outcome. As expressed by the panel experts in the study, the "key success drivers" in achieving tourism competitiveness are the "people" in the destination and the success of tourism programs heavily lies on the support and attitude of the local people towards tourism.

The processes and outcomes of tourism serving as a catalyst for a destination's future economic and social development depends on the destination's state of human development. For Southeast Asia, there appears to be a link between human development and tourism competitiveness. Thus, in the absence of a more comprehensive and adequate database to build on the identified indicators of destination competitiveness, monitoring the human development of the country destinations using the composite index HDI can provide insight on the progress towards achieving tourism competitiveness.

## **5.2 Conclusion and Recommendations**

In recent years, a number of tourism research scholars have undertaken research in this field of destination competitiveness. However, there are still few conceptual models of destination competitiveness that has been developed and there is no fully satisfactory conceptual model or applied study for measuring and identifying the determinants of destination competitiveness (Dwyer and Kim, 2003). Most of the conceptual models that have been developed took into account a large number of factors that play a determining role in competitiveness but the order of importance has not been established. Many of the factors proposed in the models cannot be applied given the lack of available indicators and databases at different destinations. Some of destination competitiveness measurement studies did not allow for a comparison of different destinations while others dealt with limited perspective of destination competitiveness (e.g. supply-side perspective only, demand-side perspective only, focused on one factor only) and the rest had results inconsistent with the real tourism dynamics. The quest for the understanding of how destinations achieve competitiveness and sustainable growth in tourism and the search for that single measure of destination competitiveness is still ongoing.

The existing models of destination competitiveness based on economic growth and the traditional approach to tourism development that it should be considered as a form of income generator has limited the conceptualization of tourism's broader role and impact on social development. The idea that economic growth inevitably leads to development has guided the conceptualization of destination competitiveness models. However, development is the product of effective integration of the societal factors as a whole, in a way that will address the purpose or aspirations of the people in the destination. The relationship between

development and tourism is one of multi-dimensional interdependence and interaction.

Country destinations in Southeast Asia could have three possible uses for the tourism competitiveness and development framework proposed in this study. The first is as a communication tool. The framework provides a starting point in understanding, investigating, assessing, discussing and sharing ideas and thoughts about a destination's competitiveness. Composed of a very large number of organizations, enterprises, groups and individuals participating in or associated with a destination's tourism industry and being fragmented in nature, the tourism stakeholders need to establish a language with which they can discuss and understand points of view and thereby educate each other.

The second use of the framework is as a management tool. The framework provides a vehicle for comprehending the magnitude and complexity of the challenges faced by destination policy makers, planners and managers as they seek to fulfill their responsibilities. The framework explicitly presents to destination managers that tourism should be planned, developed, managed and monitored in order to achieve the ultimate goal of destination competitiveness, the socio-economic well being of the destination's residents.

The third use concerns the application of the framework in order to undertake a destination diagnostics (i.e. does the present development of the destination meet the needs and aspirations of the residents of the destination?) together with a differential diagnosis for poverty reduction (i.e. the extent of poverty in the destination, the economic policy, the fiscal framework, physical geography and human ecology, patterns of governance, cultural barriers to economic development, geopolitics). A tourism and development check list consisting of sets of questions

that destination policy makers should monitor could be designed. This checklist could be the basis in designing tourism and development strategies and programs to address the critical barriers or gaps identified in the diagnosis. Tourism organizations in the country destinations of Southeast Asia seldom carry out a periodic or a whole country destination review. In addition, destination or tourism development plans rarely consider all the important fundamental elements of destination competitiveness and often focus on marketing or promotions issues alone.

The outlook for international tourism in Southeast Asia appears very promising as suggested by the past trends, supposed economic benefits and the projected growth of global demand for tourism. However, statistics showing the supposed economic benefits of tourism mask the critical interplay of economic, political, environmental and social elements involved in developing and managing tourism. As destinations increasingly become part of the tourism circuit and become attractive destinations for tourists, these destinations are undergoing dramatic changes. Societies worldwide continuously change and it is important for tourism destinations to monitor and assess these changes in order to make appropriate adjustments or adaptations. In order to attract as many tourists to visit their areas, the tourism plans and programs of destinations are often directed towards fulfilling the requirements of their target markets, sometimes to the detriment of the local residents. While the expansion of international tourism has brought about substantial economic benefits, many destinations have also experienced considerable economic, social, cultural and environmental negative impacts.

The negative impacts of tourism in destinations have been widely documented and this has led some people to believe that tourism could not be an

effective agent of development. However, tourism is still being identified by a number of destinations as a potential means of improving their well-being. Tourism planners should start listening to the voices of the local people regarding their concerns about tourism and what they hope to achieve through tourism in order to determine if there are appropriate means of pursuing tourism and appropriate types of tourism which will readily meet their needs and desires.

A number of trends are emerging with regards to international tourism and these trends will certainly provide considerable consequences in the development and management of tourism in Southeast Asia. Destinations are also expected to meet a number of challenges in their quest for sustainable local tourism development. The challenges of international tourism in the new millennium faced by destinations are not new and although tourism has become the world's largest industry, poverty still prevails worldwide. Developing nations who are highly engaged in international tourism have to prepare to address the following challenges: (1) the need for redistribution; (2) the cultural challenge of tourism; (3) the consumption gap; (4) terrorism; and (5) sustainability.

The development and management of the tourism industry in Southeast Asia requires considerable amount of investments in infrastructures (e.g. airports, roads, water and sewerage facilities, telecommunications, and other public utilities) and superstructures (e.g. accommodation facilities, food and beverage services, attractions) that generate not only benefits to tourists but also contribute to improving the living conditions of local population. This increase in social overhead costs can be a stimulus to regional economic development and economic diversification. However, some countries in the region might not be able deal with the challenges and opportunities offered by an increased tourism industry due to

limited resources and inherent political constraints. Countries in the region with less diversified economies are increasingly depended on tourism and this increases their vulnerability to the seasonal aspects of tourism and to shocks (e.g. natural disasters, regional wars and other unexpected events), environmental degradation and social pressures.

Throughout the world, the most compelling reason for pursuing tourism as a development strategy is its alleged positive contribution to the local or national economy. Given its substantial contribution to GDP and share in export earnings, tourism is a significant source of growth in many countries. Many of the countries in which tourism is important are among the poorest and least developed in the world. These countries have limited options for economic development and tourism provides the most viable alternative. However, economic growth as a result of tourism development does not necessarily result in poverty reduction.

Local communities in the developing countries should have “access to information, skills and resources that they need to make informed decisions about whether to engage in tourism development. Current available tourism data series in the region are primarily focused on international tourism and estimated on a national level. In order to get a more comprehensive assessment on the economic and social contribution of tourism in the region, there is a need to establish the data series about the volume and nature of domestic tourism, as well as, data series on the local destination level. Countries in the region should start establishing their databases that can measure not only the economic contribution of tourism, international and domestic, on the local destination level but also the impact of tourism on the well being or quality of life of the local people.



### **5.3 Limitations and Suggestions for Future Research**

As expected in all research, limitations to this study were found and should be addressed to encourage more reliable research in the future. The major limitations of this study are: (1) research scope and boundaries of the research; (2) limited tourism and social indicators; (3) lack of residents' and tourists' perspectives; and (4) absence of analysis of the relationship between tourism performance and the competitive strategies of Southeast Asian countries.

The study investigated the tourism competitiveness of the whole region and some of the countries and tourism stakeholders were not represented in the experts' survey. This limitation may produce different results and conclusions in terms of the key success factors of tourism competitiveness for the region. Tourism stakeholders in other countries may have different perceptions, attitudes, and ideas concerning tourism development and destination competitiveness. A more limited geographic boundary and scope should be explored to see if similar findings and results would be derived. Future research may collect data from other competitive destinations so that comparative studies can be conducted.

The study has been limited in its selection of tourism and social indicators and variables. Even if these indicators and variables were selected based on the literature review and researcher's observations, other critical indicator or variables may exist to achieve further insights of destination competitiveness. Future studies may address the relationship between tourism and social development with more specific social/tourism indicators or variables.

Another critical limitation to this study is related to the respondents. Generally, in the tourism literature, tourism stakeholders include residents, tourists, and tourism experts such as people who are involved in organizations, associations,

destination management and attractions such as the respondents for this study. However, this study was not able to include residents' and tourists' opinions of factors determining destination competitiveness. Residents and tourists may express different perceptions, attitudes and views concerning the issues and topics presented in this study. For future research, it is recommended that all tourism stakeholders be covered.

Due to the fact that this study did not include an analysis of the tourism performance vis-à-vis the competitive strategies of Southeast Asian countries for specific tourism market, future research should address this limitation to expand the understanding of destination competitiveness and appropriate destination competitive strategies.

Several other issues still have to be addressed in the study of destination competitiveness. The end result of destination competitiveness – socioeconomic prosperity – is not yet well defined. The study of destination competitiveness can benefit from an ongoing research in this area.

Given that the principal factors contributing to competitiveness and therefore to the improvement of living standards will differ for economies at different levels of tourism development, additional research is needed for a destination competitiveness model for destinations at different stages of tourism development.

#### **5.4 Concluding Comments**

There are a limited number of empirical studies on tourism destination competitiveness and this study attempted to propose a tourism competitiveness-development interrelationship model and explored the feasibility of monitoring progress towards achieving tourism competitiveness by tracking changes in human development. It is hoped that this study has made valuable contributions to the understanding and insights about destination competitiveness based on social development theory thru the framework developed and that the implications of the study may be of help to tourism planners, policy-makers, and destination managers, specifically in developing countries, to better plan, develop and manage tourism destinations not only for the benefit of visitors but also for the benefit of the residents of the destinations.

## References

- Ahmed, Z. and Krohn, F. (1990). Reversing the United States' declining competitiveness in the marketing of international tourism: A perspective of future policy. *Journal of Travel Research*, 29(2), 23-29.
- Amit, R. and Shoemaker (1993). Strategic assets and organisational rent. *Strategic Management Journal*, 14, 33-46.
- ASEAN Secretariat (2006). *ASEAN Statistical Yearbook 2004*. Jakarta: ASEAN Secretariat.
- ASEAN (1999). Meeting of ASEAN Heads of Statistical Agencies.
- Asian Development Bank-ADB. (2002). *Asian Development Outlook 2002*. New York: Oxford University Press.
- Baker, M., Hayzelden, C. and Sussmann, S. (1996). Can destination management systems provide competitive advantage? A discussion of the factors affecting the survival and success of destination management systems. *Progress in Tourism and Hospitality Research*, 2, 1-13.
- Baloglu, S. and Erickson, R. (1998). Destination loyalty and switching behavior of travelers: A Markov analysis. *Tourism Analysis*, 2, 119-127.
- Bardecki, M.J. (1984). *Wetland conservation policies in Southern Ontario: A Delphi Approach*. Geographical Monographs. Ontario, Canada: York University.
- Bardo, J. W. (1984). Sociospatial predictors of community satisfaction. *The Journal of Social Psychology*, 122, 189-198.
- Barlyn, S. (1995). Its San Francisco! *Fortune*, 132 (10), 84-87.
- Barney J.B. (1991). Firms resources and sustained competitive advantage. *Journal of Management*, 17, 99-120.
- Bellak, C. and Weiss, A. (1993). A note on Austrian 'diamond'. *Management International Review*, 33 (Special Issue), 109-118.
- Berger, M., Blomquist, G. and Waldner, W. (1987). A revealed-preference ranking of quality of life for metropolitan areas. *Social Science Quarterly*, 68, 761-778.
- Bird, M. (1992). Combining quantitative and qualitative methods: A study of the implementation of the Open College policy. In J. Brannen (Ed.), *Mixing Methods: Qualitative and Quantitative Research* (pp. 127-144). Brookfield: Avebury.
- Bootha, C., Crompton, J., Kim, S. (1999). Developing a revised competitive position for Sun/Lost City, South Africa. *Journal of Travel Research*, 37(4), 341-352.

- Bordas, E. (1994). Competitiveness of tourist destinations in long distance markets. *Revue de Tourisme*, 49(3), 3-9.
- Bottoms, D. (1994). How the regions stack up. *Industry Week*, 243, 52-56.
- Brackenbury, M. (2000). Promoting destinations beyond year 2000 opportunities and threats. In M. Manente and M Cerato (Eds.), *From Destination to Destination Marketing and Management* (pp. 85-110). Venezia: Ciset.
- Brannen, J. (1992). Combining qualitative and quantitative approaches: An overview. In J. Brannen (Ed.), *Mixing Methods: Qualitative and Quantitative Research* (pp. 57-80). Brookfield: Avebury.
- Britton, S.G. (1982). The political economy of tourism in the Third World. *Annals of Tourism Research*, 9(3), 331-358.
- Bryden, J. (1973). *Tourism and development: A case study of the Commonwealth Caribbean*. Cambridge: Cambridge University Press.
- Bryman, A. (1992). Qualitative and quantitative research: Further reflections on their integration. In J. Brannen (Ed.), *Mixing Methods: Qualitative and Quantitative Research* (pp. 57-80). Brookfield: Avebury.
- Buhalis, D. (2000). Marketing the competitive destination of the future. *Tourism Management*, 21 (2000), 97-116.
- Burkart, A. and Medlik, S. (1981). *Tourism Past, Present, and Future*. London: Heinemann.
- Butler, R. (1997). Modelling tourism development: Evolution, growth and decline. In S. Wahab and J. Pigram (Eds.), *Tourism Development and Growth: The Challenge of Sustainability* (pp. 109-124). London: Routledge.
- Butler, R. (1980). The concept of a tourist area cycle of evolution, implications for management of resources. *Canadian Geographer*, 24(1), 5-12.
- Campbell, A., Converse, P. E. and Rodgers, W. L. (1976). *The quality of American life: Perspectives, evaluations and satisfactions*. New York: Russel Sage Foundation.
- Cartwright, W. R. (1993). Multiple linked 'diamonds' and the international competitiveness of export-dependent industries: The New Zealand experience. *Management International Review*, 33 (Special Issue), 55-70.
- Chacko, H. (1998). Positioning a tourism destination to gain a competitive edge. *Asia Pacific Journal of Tourism Research*.
- Cho D.S. (1998). From national competitiveness to bloc and global competitiveness. *Competitiveness Review*, 8 (1).

- Chon, K. and Mayers, K. (1995). Destination competitiveness models in tourism and their application to Las Vegas. *Journal of Tourism Systems and Quality Management*, 1(2/3/4), 227-246.
- Citrinot, L. (2003). Trends and developments in Southeast Asia. *Travel and Tourism Analyst*, 1, 1-25.
- Cohen, E. (1999). Towards an agenda for tourism research in Southeast Asia. In V. Heung, J. Ap and K. Wong (Eds.), *Proceedings of the Asia Pacific Tourism Association Fifth Annual Conference on Tourism 2000 Asia Pacific's Role in the New Millennium*, (pp. 27-29). Hong Kong, SAR.
- Cooper, C., Fletcher, J., Gilbert, D., Wanhill, S., and Shepherd, R. (1998). *Tourism principles and practice*. New York: Addison Wesley Longman Limited.
- Cooper, C. Shepherd, R. and Westlake, J. (1994). *Tourism and Hospitality Education*, Guildford, University of Surrey
- Crouch, G. (2006). Destination Competitiveness: Insights Into Attribute Importance. *Proceedings of the International Conference of Trends, Impacts and Policies on Tourism Developments*, Heraklion, Crete, 15-18 June
- Crouch, G. and Ritchie, J.R.B. (1999). Tourism, competitiveness and societal prosperity. *Journal of Business Research*, 44, 137-152.
- Crouch, G. and Ritchie, J.B.R. (1995) Destination competitiveness and the role of the tourism enterprise. *Proceedings of the Fourth Annual Business Congress* (pp.43–48) Istanbul, Turkey, 13–16 July.
- d'Hartesse A. (2000) Lessons in managerial destination competitiveness in the case of Foxwoods Casino Resort. *Tourism Management*, 21(1), 23-32.
- Daly, D.J. (1993). Porter's diamond and exchange rate. *Management International Review*, 33 (Special Issue), 119-134.
- Davidson, R. & Maitland, R. (1997). *Tourism destinations*. London: Hodder & Stoughton.
- De Kadt, E. (1976). *Tourism: Passport to Development*. New York: Oxford University Press.
- De Keyser, R. and Vanhove, N. (1994). The competitive situation of tourism in the Caribbean Area: Methodological Approach. *The Tourist Review*, 3, 19-22.
- Dunning, J. H. (1992). The competitive advantage of nations and TNC activities: A review article. *Transnational Corporations*, 1, 135-168.
- Dunning, J. H. (1993). Internationalizing Porter's diamond. *Management International Review*, 33 (Special Issue), 7-15.

- Dwyer, L. (2001). *Destination Competitiveness: Development of a model with application to Australia and the Republic of Korea*. Unpublished report. Sydney: University of Western Sydney
- Dwyer, L., Forsyth, P. and Rao, P. (2000). The price competitiveness of travel and tourism: A comparison of 19 destinations. *Tourism Management*, 21(1), 9-22.
- Dwyer, L., Forsyth, P. and Rao, P. (2002). Destination price competitiveness: Exchange rate changes vs inflation rates. *Journal of Travel Research*, 10(1), 60-78.
- Dwyer L., Forsyth, P., Madden, J. and Spurr, R. (2000). Economic impact of inbound tourism under different assumptions about the macroeconomy. *Current Issues in Tourism*, 2000, 3(4), 325-363.
- Dwyer, L., Livaic, Z. and Mellor, R. (2003). Competitiveness of Australia as a tourist destination. *Journal of Hospitality and Tourism Management*, 10(10), 60-78.
- Dwyer, L. and Kim, C. (2003). Destination Competitiveness: Determinants and Indicators. *Current Issues in Tourism*, 6(5), 369-414.
- Dwyer, L., Mellor, R., Livaic, Z., Edwards, D., and Kim, C. (2004). Attributes of destination competitiveness: a factor analysis. *Tourism Analysis*, 9(1-2), 91-101.
- Edgell, D. and Haenisch, T. (1995). *Coopetition: Global tourism beyond the millennium*. Kansas City, MO: International Policy Publishing.
- Edvardsson B., Edvinsson, L. and Nystrom, H. (1993). Internationalisation in service companies. *The Service Industries Journal*, 13 (January), 80-97.
- Eisner, E. (1991). *The enlightened eye: Qualitative inquiry in the enhancement of educational practice*. New York: Macmillan.
- Enright, M.J. and Newton, J. (2004). Tourism destination competitiveness: a quantitative approach. *Tourism Management*, 25, 777-788.
- Enright, M.J. and Newton, J. (2005). Determinants of tourism destination competitiveness in Asia Pacific: Comprehensiveness and Universality. *Journal of Travel Research*, 43(4), 339-350.
- Fabricius, M.P. (2001). *Competitive strategies for tourism destinations*. Unpublished MBL Research Report. Pretoria: University of South Africa.
- Faulkner, B., Oppermann, M. and Fredline, E. (1999). Destination Competitiveness: An exploratory study of South Australia's core attraction. *Journal of Vacation Marketing*, 5(2), 125-139.
- Fendt, F. (1978). *Alternative futures for adult and continuing education in North Carolina: A Delphi futures planning study*. Paper presented at the First Meeting of the Education Section of the World Future Society, Houston, TX.

Fernandez, R. and Kulik, J. (1981). A multilevel model of life satisfaction: Effects of individual characteristics and neighborhood composition. *American Sociological Review*, 46(December), 840-850.

Firestone, W. (1987). Meaning in method: The rhetoric of quantitative and qualitative research. *Educational Researcher*, 16, 16-21.

Flax, J. (1976). *A study in the comparative urban indicators: Conditions in 10 large metropolitan areas*. Washington DC: The Urban Institute.

Garau-Taberner, J. (2006). *Measuring destination competitiveness: A case study of the Canares, Mainland Spain, France, the Balearics and Italy*. Paper presented in International Conference of Trends, Impacts, Policies and tourism development.

Gill, J. and Johnson, P. (1997). *Research methods for managers*. London: Paul Chapman Publishing Ltd.

Go, F. (1997). Asian and Australasian dimension of global tourism development. In F. Go and C.I. Jenkins (Eds.) *Tourism and Economic Development in Asia and Australasia* (pp. 3-34). London: Pinter.

Go, F. and Govers, R. (1999). The Asian perspective: which international conference destinations in Asia are the most competitive? *Journal of Convention & Exhibition Management*, 1(4), 79-88.

Goeldner, C., Ritchie, J. and McIntosh, R. (2000). *Tourism: Principles, practices, philosophies*. New York: Wiley.

Goitein, B. and Forsythe, B. (1995). *Positively Peoria: Final Report*. Bradley University, Peoria, IL: Center for Business and Economic Research.

Gooroochurn, N. and Sugiyarto, G. (2005) Competitiveness indicators in the travel and tourism industry. *Tourism Economics*, 11 (1), 25-43.

Goulet, D. (1992). Participation in development: New avenues. *World Development*, 17, 2, 165-178.

Gow, F. (1979). *CETA and vocational education administrator' perceptions of procedures for the implementation and operation of jointly delivered programs in Virginia*. Unpublished Doctoral Dissertation, Virginia Polytechnic Institute and State University, Blacksburg, VA.

Grant, R. (1991). The resource-based theory of competitive advantage: Implications for strategy formulation. *California Management Review*, Spring, 114-135.

Green, H., Hunter, C. and Moore, B. (1990). Application of the Delphi technique in tourism. *Annals of Tourism Research*, 17(2), 270-279.

Gunn, C.A. and Var, T. (2002). *Tourism planning: basics, concepts, cases*. New York: London: Routledge,



Gunn, C.A. (1994). *Tourism Planning: Basics, Concepts, Cases*. Washington: Taylor & Francis.

Gunn, C.A. (1979). *Tourism planning: Basics, concepts, and cases*. New York: Crane, Russak.

Hall, C.M. (2000). *Tourism planning policies, processes, relationships*. U.K.: Prentice Hall.

Harrison, D. (2001). Less Developed countries and tourism: The overall pattern. In D. Harrison (Ed.), *Tourism and the Less Developed World: Issues and Case Studies* (pp. 1-22). UK: CABI Publishing

Harrison, D. (1988). *The sociology of modernization and development*. London: Routledge.

Hassan S. (2000). Determinants of Market Competitiveness in an Environmentally Sustainable Tourism Industry. *Journal of Travel Research*, 38(3), 239-245.

Heath, E. (2003) Towards a model to enhance destination competitiveness: A South African perspective. In R.W. Braithwaite and R.L. Braithwaite (Eds.) *Riding the Wave of Tourism and Hospitality Research. Proceedings of the CAUTHE Conference, Coffs Harbour CD-ROM*, Lismore: Southern Cross University.

Helmer, O. (1975). Foreword. In H.A. Linstone and M. Turnoff (Eds.), *The Delphi Method*, Reading, MA: Addison-Wesley.

Henderson, K. (1991). Dimensions of choice: A qualitative approach to recreation, parks, and leisure research. State College, PA: Venture Publishing, Inc.

Hitchcock, M., King, V. and Parnwell, M. (1993). Tourism in South-East Asia: Introduction. In M. Hitchcock, V. King, and M. Parnwell (Eds.), *Tourism in South-East Asia* (pp. 1-31). London: Routledge.

Hudman, L. and Hawkins, D. (1989). *Tourism in Contemporary Society: An introductory text*. Englewood Cliffs, New Jersey: Prentice Hall, Inc.

Hodgetts, R.M. (1993). Porter's diamond framework in a Mexican Context. *Management International Review*, 33 (Special Issue), 41-54.

Jacobs, G. and Cleveland, H. (1999). *Social Development Theory*. Retrieved October 18, 2002 from the World Wide Web:  
<http://www.motherservice.org/Essays/SocialDevTheory.html>

Jacobs, G., Macfarlane, R. and Asokan, N. (1997). *Comprehensive theory of social development*. Retrieved September 21, 2002 from the World Wide Web:  
<http://www.motherservice.org/Essays/Comprehensive%20Theory%20of%20Social%20Development.html>

Jaeger, M. and Busch, C. (1984). *The effects of a Delphi modification of the Angoff-Jaeger standard setting procedure on standards recommended for the national teacher examinations*. Paper presented at the Joint Annual Meeting of the American Educational Research Association and the National Council on Measurement in Education, New Orleans, LA.

Jamal, T. and Getz, D. (1996). Does strategic planning pay? Lesson for destination from corporate planning experience. *Progress in Tourism and Hospitality Research*, 2, 59-78.

Jeffres, L. and Dobos, J. (1992). Communication and public perceptions of the quality of life: Testing the model. In J. Sirgy, L. Meadow, D. Rahtz and C. Samli (Eds.), *Developments in Quality of Life Studies in Marketing*, Vol. IV (pp. 43-49). Blacksburg, VA: Academy of Marketing Science.

Jogaratnam, G. and Tse, E. (2004). The entrepreneurial approach to hotel operation: Evidence from the Asia-Pacific Hotel Industry. *Cornell Hotel and Restaurant Administration Quarterly*, 45(3), 248-259.

Jogaratnam, G., Tse, E., and Olsen, M. (1999). Matching strategy with performance: How independent restaurateurs' competitive tactics relate to their success. *Cornell Hotel and Restaurant Administration Quarterly*, 40(4), 91-95.

Jones, G. (1999). The population of South-East Asia. Technical Report Working Reports in Demography No. 81, Demography and Sociology Program, RISS, ANU. Retrieved October 25, 2003 from the World Wide Web: <http://eprints.anu.edu.au/archive/00001333/>

Jonker, J.A. (2004). The strategic identification and integration of critical success factors to achieve international competitiveness for South Africa as a tourism destination. Unpublished Doctoral Thesis, University of Pretoria: South Africa.

Kaynak, E. and Macauley, J. (1984). The Delphi technique in the measurement of tourism market potential: The case of Nova Scotia. *Tourism Management*, 5, 87-101.

Kim, C. (1992). *Development of a framework for identification of political environmental issues faced by multinational hotel chains in newly industrialized countries in Asia*. Unpublished Doctoral Dissertation, Virginia Polytechnic Institute and State University, Blacksburg, VA.

Kim, C. and Dwyer, L. (2002). Destination competitiveness and bilateral tourism flows between Australia and Korea. In Changchong, L., K. Chon, H. Zhang and X. Yanjun (Eds.), *Proceedings of the 8<sup>th</sup> APTA Conference in Tourism Development in the Asia Pacific Region: Worldwide views & multidimensional perspectives* (pp.209-215). Dalian, China.

Kim, S., Crompton, J. and Botha, C. (2000). Responding to competition: A strategy for Sun/Lost City, South Africa. *Tourism Management*, 21(1), 33-42.

- Kotler, P., Haider, D., and Rein, I. (1994). There's no place like our place! *Public Management*, Feb (2), 15-19.
- Kozak, M. (2004). *Destination benchmarking: Concepts, practices and operations*. MA: CABI Publishing.
- Kozak, M. (2003). Measuring competitive destination performance: A study of Spain and Turkey. *Journal of Travel and Tourism Marketing*, 13(3), 83-110.
- Kozak, M. (2001). Repeaters' behaviour at two distinct destinations. *Annals of Tourism Research*, 28 (3), 784-807.
- Kozak, M. and Rimmington, M. (1999). Measuring tourist destination competitiveness: Conceptual considerations and empirical findings. *International Journal of Hospitality Management*, 18, 273-283.
- Laws, E. (1995). *Tourism destination management: issues, analysis and policies*. New York: Routledge.
- Leiper, N. (1995). *Tourism Management*. Victoria: TAFE Publications.
- Leiper, N. (1981). Towards a cohesive curriculum in tourism: The case for a distinct discipline. *Annals of Tourism Research*, 7(1).
- Leiper, N. (1979). The framework of tourism: Towards a definition of tourism, tourist and the tourist industry. *Annals of Tourism Research*, 6, 390-407.
- Lewis J. (1990). *Partnerships for profit: Structuring and managing strategic alliances*. N.Y.: New York Free Press.
- Lieske, J. (1990). The correlates of life quality in U.S. Metropolitan areas. *The Journal of Federalism*, 20 (Winter), 43-54.
- Linstone, H. and Turoff, M. (1975). *The Delphi method: Techniques and Applications*. Reading, MA: Addison-Wesley Publishing.
- Lundberg, D., Krishnamoorthy, M. and Stavenga, M. (1995). *Tourism Economics*. New York: John Wiley.
- Liu, Z. (1998). Tourism and economic development: A comparative analysis of tourism in developed and developing countries. In C. Tisdell and K. Roy (Eds.), *Tourism and Development: Economic, Social, Political and Environmental Issues*, (pp. 21-38). Commack, NY: Nova Science Publishers, Inc.
- Liu, B. (1976). *Quality of life indicators in U.S. metropolitan areas*. New York: Praeger.
- Mabogunje, A. (1980). *The development process: A spatial perspective*. London: Hutchinson.

- Machiavelli, A. (2001). Tourist destinations as integrated systems. *Tourist Review*, 53 (3,4), 6-11.
- Marans, W., Wellman, J., Newman, J. and Kruse, J. (1976). *Waterfront living: A report on permanent and seasonal residents in Northern Michigan*. The University of Michigan, Ann Arbor: Institute for Social Research.
- Massam, B. (2002). Quality of life: Public planning and private living. *Progress in Planning*, 58 (2002), 141-227.
- Masser, I. and Foley, P. (1987). Delphi revisited: Expert opinion in urban analysis. *Urban Studies*, 24, 217-225.
- Mazanec, J. (1995). Competition among European tourist cities: A comparative analysis with multidimensional scaling and self-organizing maps. *Tourism Economics*, 1(3), 283-302.
- Mathieson, A. and Wall, G. (1982). *Tourism: Economic, Physical and Social Impacts*. New York: Longman Singapore Publishers, Ltd.
- McGaw, B., Browne, K. and Rees, P. (1976). Delphi in Education: Review and assessment. *The Australian Journal of Education*, 20, 59-71.
- Medlik, S. (1993). *Dictionary of Travel, Tourism and Hospitality*. Oxford: Heinemann.
- Medlik, S. and Middleton, V.T.C. (1973). Product formulation in tourism. *Tourism and Marketing*, 13, 173-201
- Mena, M. and Chon, K. (2004). *Determinants of destination competitiveness for Southeast Asia*. Paper presented at the Tourism State of the Art II Conference, June 27-30, 2004, Strathclyde University, Glasgow, UK.
- Middleton, V. (1989). *Marketing in travel and tourism*. Oxford: Butterworth Heinemann
- Mihalic, T. (2000). Environmental management of a tourist destination: A factor of tourism competitiveness. *Tourism Management*, 21(1), 65-78.
- Miles, M. and Huberman, A. (1984). *Qualitative Data Analysis: A Sourcebook of New Methods*. Beverly Hills, CA: Sage.
- Mill, R. and Morrison, A. (1985). *The tourism system*. Dubuque, IO: Kendall/Hunt.
- Miller, D.T. (1988). *The development of accreditation standards for faculty in four-year hospitality management education programs*. Unpublished Doctoral Dissertation, Virginia Polytechnic Institute and State University, Blacksburg , VA.
- Miller, G. (2001). The development of indicators for sustainable tourism: results of a Delphi survey of tourism researchers. *Tourism Management*, 22(2001), 351-362.

- Morley, C. (1994). The use of CPI for tourism prices in demand modeling. *Tourism Management*, 15(5), 342-346.
- Moutinho, L. and Witt, S. (1995). Forecasting the tourism environment using a consensus approach. *Journal of Travel Research*, 33(4), 46-52.
- Naisbitt, J. (1997). *Megatrends Asia*. New York: Touchstone.
- Narashima S. (2000). Organisation knowledge, human resource management, and sustained competitive advantage: Toward a framework. *Competitiveness Review*, 123-135.
- Narula, R. (1993). Technology, international business and Porter's 'diamond': Synthesizing a dynamic competitive development model. *Management International Review*, 33 (Special Issue), 85-107.
- Nations Online Project. Retrieved September 21, 2005 from the World Wide Web: [http://www.nationsonline.org/oneworld/map\\_of\\_southeast\\_asia.htm](http://www.nationsonline.org/oneworld/map_of_southeast_asia.htm)
- Neher, C. (1999). *Southeast Asia in the new international era (3<sup>rd</sup> Edition)*. Colorado: Westview Press.
- Newall, J.E. (1992). The challenge of competitiveness. *Business Quarterly*, 56, 92-100.
- Newman, I. and Benz, C. (1998). *Qualitative-quantitative research methodology: Exploring the interactive continuum*. Carbondale and Edwardsville: Southern Illinois University Press.
- H.E. Ong Keng Yong (2003). Towards an ASEAN single market and single investment destination, Address given as Secretary-General of ASEAN at the Boao Forum for Asia Annual Conference 2003, November 2, 2003, Boao, Hainan Province, China.
- Olsen, M., Tse, E. and West, J. (1992). *Strategic Management in the Hospitality Industry*. New York: Van Nostrand Reinhold
- Pangestu, M. (2001). The social impact of globalization in Southeast Asia. Technical Papers No. 187 OECD.
- Papaptheodorou, A. (2002). Exploring competitiveness in Mediterranean resorts. *Tourism Economics*, 8(2), 133-150.
- Pearce, D.G. (1997). Competitive destination analysis in South East Asia. *Journal of Travel Research*, 35(4), 16.
- Poon, A (1993). *Tourism, technology, and competitive strategy*. Walingford, UK: CAB International.

- Porter, M.E. (1985). *Competitive advantage: Creating and sustaining superior performance*. New York: The Free Press.
- Porter, M.E. (1990). *The competitive advantage of nations*. New York: The Free Press.
- Prahalad, C. K. and Hamel, G. (1990). The core competence of the corporation. *Harvard Business Review*, May-June, 79-91.
- Precourt, G. and Faircloth, A. (1996). Best cities: Where the living is easy. *Fortune*, 13(4), 126-139
- Prideaux, B. (2005). Factors Affecting Bilateral Tourism Flows. *Annals of Tourism Research*, 32(3), 780-801
- Prideaux, B. (2000a). The resort development spectrum – a new approach to modeling resort development. *Tourism Management*, 21(2000), 225-240
- Prideaux, N. (2000b). The role of the transport system in destination development. *Tourism Management*, 21(2000), 53-63
- Prideaux, B. and Cooper, C. (2003). Marketing and destination growth: A symbiotic relationship or simple coincidence. *Journal of Vacation Marketing*, 9(1), 35-51
- Prohansky, M. and Fabian, A. (1986). Psychological aspects of the quality of urban life. In D. Frick (Ed.), *The quality of urban life* (pp.19-29). New York: Walter de Gruyter.
- Ragin, C. (1987). *The comparative method: moving beyond qualitative and quantitative strategies*. CA: University of California Press.
- Reichardt, C. and Cook, T. (1979). Beyond qualitative versus quantitative methods. In T. Cook and C. Reichardt (Eds.), *Qualitative and quantitative methods in evaluation research* (pp. 7-32). Beverly Hills, CA: Sage.
- Ritchie, J.R.B. and Crouch, G.I. (1993). *Competitiveness in international tourism: A framework for understanding and analysis*. Basic Report, 43<sup>rd</sup> AIEST Congress, (Association for Internationale d'Experts Scientifiques du Tourisme), 17-23 October, San Carlos de Bariloche, Argentina, 23-71.
- Ritchie, J.R.B. and Crouch, G.I. (2000). The competitive destination: A sustainability perspective. *Tourism Management*, 21(2000), 1-7.
- Robinson, H. (1976). *Geography of Tourism*. London: Macdonald and Evans.
- Rodolfo, M.C.L. (2005). A comparison of tourism policy frameworks: The Philippines and Thailand. In R.B. Alampay (Ed.), *Sustainable Tourism: Challenges for the Philippines* (pp. 23-80). PASCN: Philippines.

- Rugman, A.M. (1991). Diamond in the rough. *Business Quarterly*, 55 (3/Winter), 61-64.
- Rugman, A. M. and D'Cruz, J. R. (1993). The 'double diamond' model of international competitiveness: The Canadian experience. *Management International Review*, 33 (Special Issue), 17-39.
- Rugman, A. M. and Verbeke, A. (1993). Foreign subsidiaries and multinational strategic management: An extension and correction of Porter's single diamond framework. *Management International Review*, 33 (Special Issue), 71-84.
- Sackman, H. (1975). *Delphi Critique*. Lexington, Mass.: Lexington Books.
- Scheyvens, R. (2002). *Tourism for development: Empowering communities*. Singapore: Pearson Education Asia Pte. Ltd.
- Scott, B.R. and Lodge, G.C. (1985). *Competitiveness in the world economy*. Boston, MA: Harvard Business School Press.
- Seers, D. (1969). The meaning of development. *International Development Review*, 11(4), 2-6.
- Sen, A. (1997). From Income Inequality to Economic Inequality. *Southern Economic Journal*, 64(2), 384-401.
- Sen, A. (1999). *Development as Freedom* New York: Alfred A. Knopf, Inc.
- Sen, A. (2000). Population and Gender Equity. *The Nation* July 27 1(4), 16-18.
- Sen, A. (2001). What is Development About? In G.M. Meier and JE .Stiglitz (Eds.) *Frontiers of Development Economics: The Future Perspective* (pp.506-513). World Bank: Oxford University Press.
- Schuman, H. and Gruenberg, B. (1972). Dissatisfaction with city services: Is race an important factor? In H. Hahn (Ed.), *People and politics in urban society*. Beverly Hills, CA: Sage Publications.
- Seers, D. (1969). The meaning of development. *International Development Review*, 11(4), 2-6.
- Sharma D. and Johanson, J. (1987). Technical consultancy in internationalization. *International Marketing Review*, Winter, 20-29.
- Sharpley, R. (2002). Tourism: A vehicle for development? In R. Sharpley and D. Telfer (Eds.), *Tourism and Development: Concepts and Issues* (pp. 11-34). Clevedon, England: Channel View Publications.
- Sharpley, R. and Telfer, D. (2002). *Tourism and Development: Concepts and Issues*. Clevedon, England: Channel View Publications.

- Shin, D. (1980). Subjective indicators and the comparative evaluation of the quality of community life. *American Journal of Community Psychology*, 8 (5), 523-535.
- Sirgy, J., Meadow, L. and Samli, C. (1995). Past, present and future: An overview of quality of life research in marketing. In J. Sirgy and C. Samli (Eds.), *New Dimensions in Marketing/Quality of Life Research* (pp. 335-364). Westport, CT: Quorum Books.
- Sirgy, J., Rahtz, D., Cicic, M., and Underwood, R. (2000). A method for assessing residents' satisfaction with community-based services: A quality-of-life perspective. *Social Indicators Research*, 49, 279-316.
- Smith, S.L.J. (1994). The tourism product. *Annals of Tourism Research*, 21(3), 582-595.
- Soteriou, E. C. and Roberts, C. (1998). The strategic planning process in national tourism organizations. *Journal of Travel Research*, 37(1), 21-29.
- Stevens, B. (1992). Price value perceptions of travelers. *Journal of Travel Research*, 31(2), 41-48.
- Stipak, B. (1977). Attitudes and belief systems concerning urban services. *The Public Opinion Quarterly*, 41, 41-55.
- Straus, A. (1987). *Qualitative analysis*. New York, NY: Cambridge University Press.
- Sutanto, A. (2001). *Prototype of ASEAN statistical indicators and ASEAN development indicators: Meeting statistical needs for the region*. Paper presented at the UNSD Workshop on Development Indicators, Manila 1-5 October 2001.
- Taylor, P. (1995). Measuring changes in the relative competitiveness of package tour destinations. *Tourism Economics*, 1(2), 169-182.
- Taylor, S.J. and Bogdan, R. (1984). *Introduction to qualitative research methods: The search for meaning* (2<sup>nd</sup> Ed.). New York, NY: John Wiley and Sons.
- Taylor, R. and Judd, L. (1989). Delphi method applied to tourism. In S. Witt and L. Moutinho (Eds.), *Tourism Marketing and Management Handbook* (pp.95-99). New York: Prentice Hall.
- Tersine, J. and Riggs, E. (1976). The Delphi technique: A long-range planning tool. *Business Horizons*, 19, 51-55.
- Timothy, D. (2000). Tourism planning in Southeast Asia: Bringing down borders through cooperation. In K. Chon (Ed.), *Tourism in Southeast Asia: A new direction* (pp. 21-38). New York: The Haworth Press.
- Todaro, M. (2000). *Economic Development (7<sup>th</sup> Edition)*. Harlow: Addison-Wesley.



Tse, E. and Olsen, M. (1990). Business strategy and organizational structure: A case of US restaurant firms. *International Journal of Contemporary Hospitality Management*, 2(3).

UN (2005). *World Population Prospects, The 2004 Revisions*.

UNDP (2005). *Southeast Asia Human Development Report 2005*.

UNDP. *Human Development Reports 1990-2005*

UNWTO (2005). *Asian destinations on the rise in world tourism ranking*. Madrid: World Tourism Organization. Retrieved August 5, 2005 from World Wide Web <http://www.world-tourism.org/facts/menu.html>

UNWTO (2004). *Sustainable Tourism and Poverty Alleviation*. Presentation by Mr. Eugenio Yunis, Chief, Sustainable Development of Tourism, World Tourism Organization, Brussels, May 10, 2004. Retrieved May 21, 2005 from World Wide Web: [http://www.wbln0018.worldbank.org/eurvp/web.nsf/Pages/Paper+by+Yunis/\\$File/EUGENIO+YUNIS.PDF](http://www.wbln0018.worldbank.org/eurvp/web.nsf/Pages/Paper+by+Yunis/$File/EUGENIO+YUNIS.PDF)

UNWTO (2002). *Tourism and poverty alleviation report*. Madrid: World Tourism Organization

UNWTO (2001). *Tourism Highlights*. Madrid: World Tourism Organization

Uysal, M. and Crompton, J. (1987). Visitor segmentation by trip index. *Journal of Travel Research*, 27, 38-41.

Vukonic, B. (1997). Selective tourism growth: Targeted tourism destinations. In S. Wahab and J. Pigram (Eds.), *Tourism Development and Growth* (pp.95-108). London: Routledge.

Wagner, S. (1995). Cities that satisfy. *American Demographics*, 17(9), 18-20.

Wahab, S. and Cooper, C. (2001). Tourism, globalisation and the competitive advantage of nations. In S. Wahab and C. Cooper (Eds.), *Tourism in the Age of Globalisation* (pp. 1-21). London: Routledge

Waheeduzzan A. and Ryans, J. (1996). Definition, perspectives, and understanding of international competitiveness: A quest for a common ground. *Competitiveness Review*, 6 (2), 7-26.

Widgery, R. (1982). Satisfaction with the quality of urban life: A perspective model. *American Journal of Community Psychology*, 10(1), 37-48.

Widgery, R. (1992). Neighborhood quality of life: A subjective matter? In J. Sirgy, L. Meadow, D. Rahtz and C. Samli (Eds.), *Developments in Quality of Life Studies in Marketing*, Vol. IV (pp. 112-114). Blacksburg, VA: Academy of Marketing Science.

- World Bank. (1995). *World development report: Workers in an integrating world*. Oxford: Oxford University Press.
- World Bank (2003). *World development report*. Oxford: Oxford University Press
- World Economic Forum (WEF). (1999). *The World Competitiveness Report*. Lausanne, Switzerland.
- World Economic Forum. (2007). *Travel and Tourism Competitiveness Report 2007*. Lausanne, Switzerland.
- World Economic Forum and IMD International. (1994). *The World Competitiveness Report*. Lausanne, Switzerland.
- World Economic Forum and IMD International. (1993). *The World Competitiveness Report*. Lausanne, Switzerland.
- World Economic Forum and IMD International. (1992). *The World Competitiveness Report*. Lausanne, Switzerland.
- Yin, R. (1994). *Case study research: Design and methods* (2nd ed.). Beverly Hills, CA: Sage Publishing.
- Yin, R. (1993). *Applications of case study research*. Beverly Hills, CA: Sage Publishing.
- Yin, R. (1984). *Case study research: Design and methods* (1st ed.). Beverly Hills, CA: Sage Publishing
- Yip, G. S. (1989). Global strategy: In a world of nations. *Sloan Management Review*, Fall, 29-40.
- Young, G. (1973). *Tourism: Blessing or Blight?* Middlesex, England: Penguin.
- Yoon, Y. (2002). Development of a structural model for tourism destination competitiveness from stakeholders' perspectives. Unpublished Doctoral Dissertation, Virginia Polytechnic Institute and State University, Blacksburg , VA.
- Yoshihara, K. (1999). *Building a Prosperous Southeast Asia: From Ersatz to Echt Capitalism*. Surrey: Curzon Press.

# **Appendix 1**

## **List of ASEAN NTOs and Invited Panel Members**

## List of ASEAN NTOs

### **BRUNEI**

Tourism Development Division  
Ministry of Industry and Primary Resources  
Jln. Menteri Besar, Bandar Seri Begawan, Brunei Darussalam  
Tel. (673-2) 382822 Fax. (673-2) 382824  
Email : [bruneitourism@](mailto:bruneitourism@)

### **CAMBODIA**

Ministry of Tourism  
3, Preah Monivong Blvd, Phnom Penh, Cambodia  
Tel. (855-23) 213911 Fax. (855-23) 426107/217503  
Email : [dgpro@](mailto:dgpro@)

### **INDONESIA**

Ministry of Cultures and Tourism  
Directorate General of Tourism  
Jl. Merdeka Barat 17-19, Jakarta, Indonesia  
Tel. (62-21)3838411 Fax. (62-21) 3838170

### **LAOS**

National Tourism Authority of Lao P.D.R.  
Lane Xang Avenue, P.O. Box 3556, Vientiane, Lao P.D.R.  
Tel. (856-21) 212248 Fax. (856-21) 212769/2127910

### **MALAYSIA**

Ministry of Tourism, Arts and Cultures  
17th floor, Menara Dato' Onn  
Putra World Trade Center, 50480, Kuala Lumpur, Malaysia  
Tel. (603) 2693 5188 Fax. (603) 269 0207/2693 0884  
Email : [tourism@](mailto:tourism@)

### **MYANMAR**

Ministry of Hotels and Tourism  
No. 77-91, Sule Pagoda Road, Yangon, Myanmar  
Tel. (95-1) 285689 Fax. (95-1) 289588/254417  
Email : [mtt.mht@](mailto:mtt.mht@)

### **PHILIPPINES**

Department of Tourism  
DOT Building, T.M. Kalaw Street, Agrifina Circle, Rizal Park  
Manila 10004, Philippines  
Tel. (632) 523 8411 Fax. (632) 521 7374  
Email : [deptour@](mailto:deptour@)

### **SINGAPORE**

Singapore Tourism Board  
Tourism Court, 1 Orchard Spring Lane, Singapore 247729  
Tel. (65) 736 6622 Fax. (65) 736 9423  
Email : [stb\\_sog@](mailto:stb_sog@)

### **THAILAND**

Tourism Authority of Thailand  
Le Concorde Bldg, 202 Ratchadaphisek Road  
Huai Khwang, Bangkok 10310, Thailand  
Tel. (662) 694 1222 Fax. (662) 694 1220-1  
Email : [center@](mailto:center@)

### **VIET NAM**

Viet Nam National administration of Tourism  
80 Quan Su Street, Hanoi, Viet Nam  
Tel. (84-4) 822 8744 Fax. (84-4) 942 4115  
Email : [binhvnat@](mailto:binhvnat@)

## **Appendix 2**

### **Letter of Invitation to Panel Members**

## Letter of Invitation

\_\_\_\_\_, 2003

Dear \_\_\_\_\_:

I am currently completing a Ph.D. in the School of Hotel and Tourism Management, The Hong Kong Polytechnic University, Hong Kong SAR, China. I earned my diploma in tourism management from Schloss Klessheim, Salzburg, Austria and my master's degree in statistics from the University of the Philippines, Quezon City, Philippines. Before I came to Hong Kong to study in 2001 I had been teaching at the Asian Institute of Tourism University of the Philippines for more than 10 years. I am on official study leave from my position of assistant professor.

I am conducting a study for my dissertation, the topic of which is "Developing A Framework and Measure of Tourism Competitiveness for South East Asian Destinations." The objective of this study is to identify the key success factors in determining tourism competitiveness in South East Asia. The key factors will ultimately be incorporated into a framework to be used as a guideline in developing a measure of tourism competitiveness.

A Delphi Technique will be used to identify and reach a consensus on the key factors of tourism competitiveness. For this study, you are selected as one of the members of the panel since you are considered an expert in the field of tourism and hospitality management in your country. Your willingness to serve on the panel will be beneficial to me as well as to your organization since the framework to be developed by this study will help you better understand the industry you are involved with.

A Delphi Technique consists of three rounds or phases. The first round will present to you five determinants of destination competitiveness under which you will be asked to list key factors that you feel affect the success of tourism in the destination you are currently working. In the following rounds you will be asked to rank the level of importance of each factor identified in the previous round.

If you agree to participate in this study you will be one of a forty-member panel of experts. The panel consists of representatives from industry, academe, government and non-government organizations located in the ten member countries of ASEAN.

Anonymity is a characteristic of the Delphi Technique. Therefore, your name will not be associated with the responses of the study. When making your decision to participate please remember that the success of the Delphi Technique and this study depends on the completion of all rounds by all the panel members. The study will require approximately one to two hours of your time three times during coming months. I have set a target date of \_\_\_\_\_ for the completion of the rounds.

Enclosed are a personal data form, the first round questionnaire of the Delphi process, and a self-addressed return envelope. It would be highly appreciated if you will be kind enough to participate in the study. Please return the completed personal data form and questionnaire by \_\_\_\_\_. Since your responses will be basis for round two, it is important for you to complete the first round. I will be willing to send the final result of the study for your reference.

Thanking you in advance for your attention and looking forward to your cooperation.

Sincerely,

Miguela M. Mena

Enclosure

# **Appendix 3**

## **Invitation Materials for Delphi Survey**

## PANELIST INFORMATION

### Personal Information

Name of Company/Organization \_\_\_\_\_

Position \_\_\_\_\_

Years in this Position \_\_\_\_\_

Years of tourism industry experience \_\_\_\_\_

Your primary field of expertise \_\_\_\_\_

Other positions held in the tourism industry \_\_\_\_\_

Education/training preceding this position \_\_\_\_\_

### Organization Information

Functions of your company/organization include:

- Tourism promotion abroad
- Development of tourist attractions
- Guidance of tourism operations
- Guidance of travel agents, tour guides, or tour escorts
- Education/training of tourism employees
- Others (please specify) \_\_\_\_\_

Your organization/company is

- A private company
- A government ministry (or department)
- A government corporation
- A bureau in the ministry (or department)
- A non-profit organization
- Others (please specify) \_\_\_\_\_



### **Endorsement Letter from ASEANTA**

Subject: Competitiveness Study for ASEAN Member Countries

To: ASEANTA Members

The Hong Kong Polytechnic University School of Hotel and Tourism Management is currently a study on Competitiveness of Tourism in ASEAN Countries. The objective of the study is to identify the key factors of tourism competitiveness for Southeast Asian destinations and the study's outcome should provide much needed information to member countries of ASEAN in further developing and sharpening their competitive strategies.

In the coming weeks, the ASEANTA members will receive letters of invitations to participate in the study's Delphi survey. We enjoin you to accept the invitation to become members of tourism experts panel and extend your full support and cooperation to the project. Recognizing the strategic importance of the tourism industry for sustainable socio-economic growth of the ASEAN member states and determined to improve the efficiency and competitiveness of ASEAN's tourism services, the ASEAN Tourism Association endorses this timely and relevant study.

Thank you very much.

Tunku Dato Seri Iskandar Tunku Abdullah  
Secretary General  
ASEANTA



#### **Endorsement Letter from PATA**

Dear PATA Member,

Enhancing the competitiveness of our destinations is important for the long-term sustainability of tourism in Pacific Asia. PATA is keen to assist in tourism-related research, the results of which may help decision-makers more effectively market our region.

The School of Hotel and Tourism Management at the Hong Kong Polytechnic University is currently conducting research on tourism competitiveness in selected PATA-member destinations. In the coming weeks you will receive letters inviting you to participate. We would encourage you to accept and extend your full support to this project.

Pacific Asia Travel Association (PATA) endorses this study, recognizing its potential importance.

Yours sincerely,

Mr. Peter de Jong  
President and CEO

Pacific Asia Travel Association  
Operational Headquarters  
Unit B1, 28th Floor, Siam Tower  
989 Rama I Road, Pathumwan  
Bangkok 10330, Thailand  
Tel: (662) 658-  
Fax: (662) 658-2010  
E-Mail: peter@

# **Appendix 4**

## **Round I Survey Questionnaire**

## ROUND I

### Identification of Key Factors

#### Directions

Previous research has identified various determinants of destination competitiveness and sustainability as comparative advantages, competitive advantages, global (macro) environment, global (micro) environment, qualifying & amplifying determinants, core resources and attractors, supporting resources and demand conditions. A brief description of these determinants is attached herewith for your reference.

We will be highly grateful if we could obtain your views on the factors that determine the success or competitiveness of a major tourism destination in Southeast Asia. In the page that follows you will find five open-ended questions. In the space provided for the question please list the issues and factors that you consider have had or, are likely to have, an impact on the success of tourism industry in the countries concerned (country destinations in Southeast Asia). It is kindly requested that issues or factors be specific. You can use the back pages of the questionnaire or extra sheets of paper if necessary.

When a certain issue/factor is applied only to a certain country/destination, please indicate the initial of that country at the end in the parenthesis [e.g. Brunei (B), Cambodia (C), Indonesia (I), Lao PDR (L), Malaysia (M), Myanmar (Y), Philippines (P), Singapore (S), Thailand (T), Vietnam (V)].

Please provide us with your answers to all the questions. Your answers to these questions will provide valuable inputs in the development of the framework. Please return the completed questionnaire on or before May 23, 2003 by post using the enclosed a self-addressed return envelope, by email attachment using the following email address: [miguela.mena@](mailto:miguela.mena@) or by fax using the number (852) 2362-6422 whichever will be more convenient for you.

Thank you very much. Please feel free to contact us if you have any questions. Please address your enquiries and communications to:

Miguela M. Mena  
Research Student (PhD)  
School of Hotel and Tourism Management  
The Hong Kong Polytechnic University  
Hung Hom, Kowloon, Hong Kong SAR, China  
Tel: (852) 2766 6377  
Fax: (852) 2362 9362  
Email: [miguela.mena@](mailto:miguela.mena@)

**ROUND I**

Identification of Key Factors

Questions

A. In your view, what are the factors that determine the success or competitiveness of a tourism destination (country level) in Southeast Asia?

---

---

---

B. What criteria are you using to assess success or competitiveness?

---

---

---

C. Are success or competitiveness factors different for the international and domestic market? If so, how?

---

---

---

D. How does someone responsible for the success of a destination improve its competitive position? In the short-term? In the long-term?

---

---

---

E. What makes the management of a country destination in Southeast Asia successful?

---

---

---

---

Name: \_\_\_\_\_

Panelist Affiliation (please check only one):

Private Sector	_____	
Public Sector	_____	
Academe		_____
Non-government organization	_____	
Others		_____

THANK YOU!

# **Appendix 5**

## **Round II Survey Questionnaire**

## Round II

### Rating of Key Factors

#### Directions

- 1. Below is a listing of possible key factors to be used for developing the framework of tourism competitiveness for Southeast Asian destinations. The list was collected from the key factors identified by the panel in Round I. Please indicate how important you feel each factor is to the success of a tourism destination (country level) in Southeast Asia. You may take this opportunity to add or change factors if you feel it is necessary.**

*Rating scales:*

- 5 = *Very important*
- 4 = *Moderately important*
- 3 = *Average importance*
- 2 = *Slightly important*
- 1 = *Not important*

Factors	VIII. Rating				
	1	2	3	4	5
Natural wonders/scenery					
Flora and fauna (eg. animals, birds, forests)					
Historic/heritage sites including museums					
Artistic and architectural features					
Traditional arts					
Climate of destination					
Cleanliness/sanitation of destination					
Variety of cuisine					
Unspoiled nature					
Special events/festivals					
Amusement/theme parks					
Quality and variety of tourist activities (eg. water based, nature based, adventure activities)					
Quality and variety of entertainment (eg. theatre, galleries, cinemas)					
National parks, including nature reserves					
Nightlife (eg. bars, discos, dancing)					
Distinct and different culture/cultural and heritage/folk villages					
Variety and quality of accommodation facilities					
Value for money for tourism facilities and services					
Efficiency/quality of airports (local and international)					
Efficiency/quality of tourist guidance and information					
Efficiency/quality of transportation (land, air and sea; to and within destination)					
Diversity of shopping experience					
Diversity and quality of food services facilities					

## Round II

Factors	Rating				
	1	2	3	4	5
Capacity and quality of convention facilities					
Variety and quality of recreation facilities (eg. parks, leisure facilities)					
Variety and quality of sports facilities					
Health and medical facilities to serve tourists					
Financial institutions and currency exchange facilities					
Tourism/hospitality firms having programs to ensure/monitor visitor satisfaction					
Quality of tourism/hospitality services					
Telecommunication system for tourists					
Frequency/capacity of access transport to destination					
Distance/flying time to destination from key origins					
Direct flights/indirect flights into destination					
Use of e-commerce in tourism/hospitality industry					
Use of information technology by tourism/hospitality firms					
Well defined performance standards in service delivery by tourism/hospitality firms					
Programs to ensure/monitor visitor satisfaction by tourism/hospitality firms					
Industry appreciation of importance of service quality					
Existence of hospitality development programs for residents					
Investment environment for tourism development					
Safety/security of visitors					
Effective public health system					
Range and quality of tourism/hospitality education and training programs					
Responsiveness of tourism firms to visitor needs					
Ongoing tourism development responsive to community needs					
Ongoing tourism development responsive to visitor needs					
Packaging of destination experiences for visitors					
Value for money in destination tourism experiences					
Value for money in shopping items					
Present "fit" between destination products and consumer preferences					
Communication between tourists and residents					
Efficiency of customs/immigration					
Attitudes of custom/immigration officials					
Attitudes of residents towards visitors					
International awareness/perception of destination					
International awareness/perception of destination's specific product offerings					



## Round II

Factors	Rating				
	1	2	3	4	5
Community support for special events					
Destination links with major origin markets (eg. business/trade, sporting, ethnic, religious ties)					
Links between tourism destination and travel trade					
Overall destination image					
Destination has clear policies in "social tourism" (eg. disabled, aged)					
Quality of research input to tourism policy, planning and development					
Tourism development integrated with overall industry development					
Destination "vision" reflecting resident values					
Destination "vision" reflecting industry stakeholders values					
Visa requirements as impediment to visitation					
Government leadership/commitment to tourism development					
Resident support for tourism development					
Public sector commitment to tourism/hospitality education & training					
Private sector commitment to tourism/hospitality education & training					
Tourism/hospitality training responsive to visitor needs					
Public sector recognition of importance of "sustainable" tourism development and monitoring adherence to sustainable environmental principles					
Private sector recognition of importance of "sustainable" tourism development and adherence to sustainable environmental principles					
Extent of foreign investment in destination tourism industry					
Level of cooperation (eg. strategic alliances) between firms in destination					
Entrepreneurial qualities of local tourism businesses					
Access to venture capital by tourist firms					
Extent of cooperation between public and private sector tourism organizations					
Tourism/hospitality firms conforming to principles of business ethics					
Reputation of the national tourism organization (NTO) for attracting visitation					
Stable social, economic and political conditions in the destination					
Others (Please specify and use additional sheet of paper if necessary)					

2. Below is a list of possible criteria for assessing success or competitiveness of a tourism destination (country level) in Southeast Asia. The list was collected from the criteria identified by the panel in Round 1. Please indicate **how important you feel is each criteria in assessing the success of a tourism destination in Southeast Asia**. Place an X under your selected rating for each criteria. You may take this opportunity to add or change criteria if you feel it is necessary.

Rating scales: 5 = Very important  
 4 = Moderately important  
 3 = Average importance  
 2 = Slightly important  
 1 = Not important

Criteria	Rating				
	1	2	3	4	5
Total number of tourist arrivals (domestic and international)					
Volume of international repeat visitors					
Market distribution, changes in market share, market domination					
Total tourism receipts					
Average tourist expenditures per person per day					
Expenditure pattern of tourist					
Net income after deducting linkages					
Percent of tourism receipts to GDP					
Foreign exchange rate					
Average length of stay of tourists (international and domestic)					
Number of jobs created					
Satisfaction levels of tourists (international and domestic)					
Destination image					
Volumes of enquiries and extent of destination coverage in international media					
Funds devoted for tourism development					
Business/livelihood opportunities for local people					
Taxes and revenues generated by government					
Inventory of new establishments/new developments					
Growth in the number of tourism-related establishments					
Foreign direct investment in the tourism sector					
Air transport linkage to the rest of the world					
Benchmarking against main competitors (e.g. number of air seats by major markets, cost of similar tour packages, marketing and infrastructure budgets, quality of services)					
Management skills of the workforce in tourism industry					
Social benefits of tourism contributing to the country					
Others (Please specify and use additional sheet of paper if necessary)					

# **Appendix 6**

## **Round III Survey Questionnaire**

## Round III

### Re-examination of Key Factors

#### Directions

***The following list of key factors is a duplicate of round two. Round three gives the panel an opportunity to reach an agreement on what factors are desirable for incorporating into the framework of tourism competitiveness for Southeast Asian destinations.***

***This round also gives the panel a chance to reconsider his/her initial responses in comparison with the ratings made by the other members. The most frequently chosen response for each statement is presented in column S and your response is marked with X. Please complete this final questionnaire using the following steps:***

1. Review each factor and note the rating most frequently chosen by members of the panel.
2. Compare your response with that of the panel.
3. If your response differs, make a decision to
  - a. change your rating to agree with the most frequently chosen rating for that factor, or
  - b. keep your rating as it is
4. Indicate your decision to
  - a. change to that of the group by circling the number in column S for the factor, or
  - b. keep your rating as it is by doing nothing
5. If you decide not to agree with the rating most frequently made, please provide a justification for your decision in the space provided.

***1. Review each factor and take note the rating most frequently chosen by members of the panel. Compare your response with that of the panel as specified in column S.  
If your response differs, make a decision to change your rating to agree with the most frequently chosen rating for that factor, or keep your rating as it is. Indicate your decision to change to that of the group by circling the number in column S for the factor, or keep your rating as it is by doing nothing. If you decide not to agree with the rating most frequently made, please provide a justification for your decision in the space provided.***

Rating scales:

5 = Very important

2 = Slightly important

4 = Moderately important

1 = Not important

3 = Average importance

### Round III

Factors	Rating					
	1	2	3	4	5	S
Natural wonders/scenery						5
Flora and fauna (eg. animals, birds, forests)						5
Historic/heritage sites including museums						5
Artistic and architectural features						4
Traditional arts						4
Climate of destination						3
Cleanliness/sanitation of destination						5
Variety of cuisine						4
Unspoiled nature						5
Special events/festivals						4
Amusement/theme parks						3
Quality and variety of tourist activities (eg. water based, nature based, adventure activities)						5
Quality and variety of entertainment (eg. theatre, galleries, cinemas)						4
National parks, including nature reserves						4
Nightlife (eg. bars, discos, dancing)						4
Distinct and different culture/cultural and heritage/folk villages						5
Variety and quality of accommodation facilities						4
Value for money for tourism facilities and services						4
Efficiency/quality of airports (local and international)						5
Efficiency/quality of tourist guidance and information						5
Efficiency/quality of transportation (land, air and sea; to and within destination)						5
Diversity of shopping experience						3
Diversity and quality of food services facilities						4

### Round III

Factors	Rating					
	1	2	3	4	5	S
Capacity and quality of convention facilities						4
Variety and quality of recreation facilities (eg. parks, leisure facilities)						4
Variety and quality of sports facilities						3
Health and medical facilities to serve tourists						5
Financial institutions and currency exchange facilities						4
Tourism/hospitality firms having programs to ensure/monitor visitor satisfaction						5
Quality of tourism/hospitality services						5
Telecommunication system for tourists						4
Frequency/capacity of access transport to destination						5
Distance/flying time to destination from key origins						4
Direct flights/indirect flights into destination						5
Use of e-commerce in tourism/hospitality industry						4
Use of information technology by tourism/hospitality firms						4
Well defined performance standards in service delivery by tourism/hospitality firms						4
Programs to ensure/monitor visitor satisfaction by tourism/hospitality firms						4
Industry appreciation of importance of service quality						5
Existence of hospitality development programs for residents						4
Investment environment for tourism development						5
Safety/security of visitors						5
Effective public health system						5
Range and quality of tourism/hospitality education and training programs						4
Responsiveness of tourism firms to visitor needs						5
Ongoing tourism development responsive to community needs						4
Ongoing tourism development responsive to visitor needs						4
Packaging of destination experiences for visitors						5
Value for money in destination tourism experiences						5
Value for money in shopping items						4
Present "fit" between destination products and consumer preferences						4
Communication between tourists and residents						5
Efficiency of customs/immigration						5
Attitudes of custom/immigration officials						5
Attitudes of residents towards visitors						5
International awareness/perception of destination						5
International awareness/perception of destination's specific product offerings						5

### Round III

Factors	Rating					
	1	2	3	4	5	S
Community support for special events						5
Destination links with major origin markets (eg. business/trade, sporting, ethnic, religious ties)						5
Links between tourism destination and travel trade						4
Overall destination image						5
Destination has clear policies in "social tourism" (eg. disabled, aged)						5
Quality of research input to tourism policy, planning and development						5
Tourism development integrated with overall industry development						5
Destination "vision" reflecting resident values						4
Destination "vision" reflecting industry stakeholders values						4
Visa requirements as impediment to visitation						5
Government leadership/commitment to tourism development						5
Resident support for tourism development						5
Public sector commitment to tourism/hospitality education & training						5
Private sector commitment to tourism/hospitality education & training						5
Tourism/hospitality training responsive to visitor needs						5
Public sector recognition of importance of "sustainable" tourism development and monitoring adherence to sustainable environmental principles						5
Private sector recognition of importance of "sustainable" tourism development and adherence to sustainable environmental principles						5
Extent of foreign investment in destination tourism industry						4
Level of cooperation (e.g. strategic alliances) between firms in destination						5
Entrepreneurial qualities of local tourism businesses						5
Access to venture capital by tourist firms						4
Extent of cooperation between public and private sector tourism organizations						5
Tourism/hospitality firms conforming to principles of business ethics						5
Reputation of the national tourism organization (NTO) for attracting visitation						4
Stable social, economic and political conditions in the destination						5
Others: Strategies for unforeseen events						5





### Round III

*2. Review each criteria and take note the rating most frequently chosen by members of the panel. Compare your response with that of the panel as specified in column S.*

*If your response differs, make a decision to change your rating to agree with the most frequently chosen rating for that factor, or keep your rating as it is. Indicate your decision to change to that of the group by circling the number in column S for the factor, or keep your rating as it is by doing nothing. If you decide not to agree with the rating most frequently made, please provide a justification for your decision in the space provided.*

Rating scales:

5 = Very important

4 = Moderately important

3 = Average importance

2 = Slightly important

1 = Not important

Criteria	Rating					
	1	2	3	4	5	S
Total number of tourist arrivals (domestic and international)						5
Volume of international repeat visitors						5
Market distribution, changes in market share, market domination						4
Total tourism receipts						5
Average tourist expenditures per person per day						5
Expenditure pattern of tourist						4
Net income after deducting linkages						5
Percent of tourism receipts to GDP						5
Foreign exchange rate						3
Average length of stay of tourists (international and domestic)						5
Number of jobs created						5
Satisfaction levels of tourists (international and domestic)						5
Destination image						5
Volumes of enquiries and extent of destination coverage in international media						4
Funds devoted for tourism development						5
Business/livelihood opportunities for local people						4
Taxes and revenues generated by government						4
Inventory of new establishments/new developments						4
Growth in the number of tourism-related establishments						4
Foreign direct investment in the tourism sector						4
Air transport linkage to the rest of the world						5
Benchmarking against main competitors (e.g. number of air seats by major markets, cost of similar tour packages, marketing and infrastructure budgets, quality of services)						5
Management skills of the workforce in tourism industry						5
Social benefits of tourism contributing to the country						5
Others: Promotional budget of tourism bureau						5



### Round III

3. Review your response to the following question and take note of the response most frequently cited by members of the panel. Compare your response with that of the panel as specified in column S. If your response differs, make a decision to change your response to agree with the most frequently chosen rating for that factor, or keep your response as it is. Indicate your decision to change to that of the group by circling the response in column S, or keep your rating as it is by doing nothing. If you decide not to agree with the rating most frequently made, please provide a justification for your decision in the space provided.

Question	Response		
	Yes	No	S
Are success or competitiveness factors different for the international and domestic market?			Yes