Tourism, Competitiveness, and Societal Prosperity

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Each society is faced with the decision of how best to provide for the well-being and quality of life of its citizens. The choices involved span complex economic, sociocultural, political, and environmental considerations. In particular, the economic base that a society chooses for itself has wide ranging ramifications. Increasingly, cities, states, and nations are turning to tourism as an important element in their economic portfolio as they recognize the potentially significant economic rewards at stake. Much of tourism development entails community development. If handled appropriately, tourism can become an important engine for achieving broader social goals. Whereas societies may aspire to achieve these goals, communities are struggling to manage tourism development effectively. Unfortunately, no integrative framework exists for managing all facets of tourism development. In this study the authors examine the link between societal prosperity and tourism using a competitiveness framework. J BUSN RES 1999. 44.137±152. © 1999 Elsevier Science Inc. All rights reserved.

Economic success, prosperity, is but a means to improving our quality of life. We want prosperity so that we can reach goals that are not measured in the Gross Domestic Product: strong social programs, a clean environment, a vibrant culture, and interesting, well-paying jobs for all.

—from “Prosperity through Competitiveness”  
Government of Canada (1991)

For many years, the tourism sector complained that it was being ignored by governments and that its economic and social significance were being systematically overlooked by the population at large. In recent years, however, these “complaints” have been rectified with a vengeance. Governments have increasingly recognized the economic importance of tourism, and in doing so, have imposed a broad range of new taxes that have significantly added to the cost of travel from a consumer perspective. As for the population at large, its members have increasingly scrutinized all forms of tourism development so as to ensure that their environmental and social impacts are acceptable. Indeed, the demands placed on tourism development appear in many cases to have surpassed those of “nonsustainable” sectors of the economy (most notably, the extractive industries).

In any event, the above changes in the public perceptions of tourism as a major sector of the economy have thrust the industry into a limelight in which it is called upon to demonstrate its economic efficiency, its environmental stewardship, and its societal relevance. One way of judging this relevance is to assess the extent to which tourism contributes to the overall well-being of a society. As implied above, this overall well-being can be seen as composed of economic prosperity, environmental stewardship, and quality of life.

This study examines a subset of the foregoing trilogy. More specifically, it examines the ability of a tourism destination to contribute to the economic base (prosperity) that provides the foundation for the multifaceted concept of quality of life. Whereas this economic base is also essential to support environmental stewardship, this study is most directly concerned with the ability of a destination to provide a high standard of living for residents of the destination. We refer to this ability as the “competitiveness” of a tourism destination.

Tourism and Society

Prosperity

The term “prosperity” is a relatively recent form of jargon in the lexicon of economic planning and managerial guruism. The concept of economic prosperity is of course a common and well-established concept in the field. However, its somewhat sudden reemergence in the early 1990s as the coinage of the day, at least in Canada, can be directly traced to the very focused efforts of the, then, almost extinct Progressive Conservative government. Faced with an economy in trouble, and a rapidly deteriorating political situation, the two minis-
Tourism's Role in the Search for Global Prosperity

It is only since the 1950s that the tourism sector has played any significant role in the global quest for prosperity. Up until then, agriculture, and subsequently manufacturing, provided the economic foundation for societal well-being. However, during the 1960s, 70s, and 80s, as western economies flourished, the service sector grew dramatically in terms of economic significance.

Of all the components of the burgeoning service sector, tourism has been, and continues to be, one of the most dynamic, in both absolute and relative terms. Its growth has been so dramatic that many now claim tourism to be “the world’s largest industry,” generating more than 10% of global gross domestic product (GDP) and employment (WTTC, 1996). In more specific terms, the World Travel & Tourism Council (WTTC) estimates that, in 1996, tourism output will amount to approximately $3.6 trillion, representing 10.7% of world economic output. The WTTC further estimates the 255 million jobs in tourism similarly represent some 10.7% of worldwide employment. Over the next decade, it is forecast that the tourism sector will realize a real growth of output of approximately 50%, reaching $7.1 trillion by 2006. Perhaps more significantly, in 10 years, tourism’s share of global economic output and worldwide employment is expected to reach 11.5% and 11.1%, respectively.

Over and above its sheer economic significance, travel and tourism has been singled out by “Metatrends” author John Naisbitt, along with telecommunications and information technology, as one of the main drivers of the rapidly approaching 21st century global economy (Naisbitt, 1994). This implies that not only will tourism be a major contributor to global prosperity, but also that the very nature of the tourism phenomenon will shape the lifestyles, societal structures, and inevitably the quality of life (QOL) of many citizens of the world during the first segment of the third millennium.

Tourism and Quality of Life

The foregoing has documented the large and growing quantitative role of tourism in the economic welfare of the citizens of the world. Equally significant is the extent to which tourism will impact the QOL enjoyed by the citizens of countries that are the source of travelers as well as those that host these travelers. The broad dimensions of QOL for residents of a major visitor destination, and how these dimensions are likely to be impacted by a successful tourism development program, are summarized in Table 1. It is emphasized that care should be taken in generalizing the contents of Table 1. In particular, the static nature of such a table does not explicitly take into account the profile and the behaviors of different visitors to a particular destination, or the rapidly evolving nature of the international tourism marketplace. It is at best a first approximation for achieving an understanding of the likely impacts of visitors to a destination at a given point in time. For example, one futurist argues that, in contrast to the tourism market of today, the future will see a boom in all forms of tourism related to culture, history and education (McRae, 1994). If this prediction materializes, it could have dramatic implications for the characteristics of a competitive destination and for the lifestyle opportunities available to, and demanded of, the residents of that destination.

Tourism and Prosperity: The Challenge of Measurement

The above discussions, which seek to capture the economic significance of tourism and subsequently the extent to which tourism impacts on the QOL of both guests and hosts in a particular destination, have masked a critical dimension of our ability to understand these complex phenomena. In each of the discussions, it has been assumed that the measures and statistics we use are accurately able to capture “truth.” This assumption has long been of concern to professionals in the field (Duncan and Gross, 1995; Ritchie, 1975). One of the most serious of these concerns is the true size and nature of the direct economic expenditures related to tourism, and their subsequent indirect effects on the economy. Meaningful progress has been made in recent years in enhancing the reliability of such measures and in developing separate so-called “satellite accounts.” These satellite accounts standardize and more accurately portray the economic significance of tourism within a country’s system of national accounts (Boskin, 1995). In addition, satellite accounts provide a complementary approach to measuring things that may be difficult to do directly within the body of the national accounts (Boskin, 1995).
Table 1. Selected Examples of Probable Impacts of a Successful Tourism Development Program on a Typical Tourism Destination

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<thead>
<tr>
<th>Impact</th>
<th>Positive</th>
<th>Negative</th>
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<tr>
<td>Economic</td>
<td>• Increased expenditures</td>
<td>• Price increases during special events</td>
</tr>
<tr>
<td></td>
<td>• Creation of employment</td>
<td>• Real estate speculation</td>
</tr>
<tr>
<td>Physical</td>
<td>• Construction of new facilities</td>
<td>• Environmental damage</td>
</tr>
<tr>
<td></td>
<td>• Improvement of local infrastructure</td>
<td>• Overcrowding</td>
</tr>
<tr>
<td>Social</td>
<td>• Strengthening of community fabric via volunteerism</td>
<td>• Development of the “greed factor”</td>
</tr>
<tr>
<td></td>
<td>• Increased local interest and participation in regional events</td>
<td>• Acceleration of undesirable social trends such as excessive urbanization</td>
</tr>
<tr>
<td>Psychological</td>
<td>• Increased local pride and community spirit</td>
<td>• Tendency toward defensive attitudes concerning host regions</td>
</tr>
<tr>
<td></td>
<td>• Increased awareness of nonlocal perceptions</td>
<td>• High possibility of misunderstandings leading to varying degrees of host/visitor hostility</td>
</tr>
<tr>
<td>Cultural</td>
<td>• New ideas from exposure to other cultures and their way of life</td>
<td>• Commercialization of activities that may be of a personal or private nature</td>
</tr>
<tr>
<td></td>
<td>• Strengthening of regional traditions and values</td>
<td>• Modifications of nature of event/activity to accommodate tourism</td>
</tr>
<tr>
<td>Political</td>
<td>• Enhanced international recognition of a region and its values</td>
<td>• Economic exploitation of local population to satisfy ambitions of political elite</td>
</tr>
<tr>
<td></td>
<td>• Propagation of political values held by government and/or population</td>
<td>• Distortion of true nature of events to reflect values of political system of the day</td>
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In contrast to the above, relatively little progress has been made in efforts to develop a similar satellite account for the environment. Nevertheless, there is an ongoing effort to develop formal accounting approaches that will enhance our understanding of the significance of “natural capital” (Prugh, 1995)—approaches that may eventually prove valuable in improving management practices in tourism that relate to scenic regions, wildlife, and environmentally sensitive areas.

Another ongoing difficulty concerns our ability to develop measures that provide a valid understanding of QOL, and more specifically, the impacts that tourism may have on the QOL of residents of host destinations. Current approaches are largely based on combination of economic, psychological, and sociological measures. Although QOL measures are not in themselves new, our ability to measure and/or infer the impacts (both negative and positive) that are directly attributable to tourism, does not inspire confidence.

**Competition or Cooperation: Examining the Societal Paradigm for Success in Tourism**

The underlying theme of the model on which the present study is based is one of enhancing destination competitiveness. This theme reflects the reality of the international tourism marketplace. It recognizes that to succeed, destinations must ensure that their overall attractiveness, and the integrity of the experiences they deliver to visitors, must equal or surpass that of the many alternative destination experiences open to potential visitors.

At the same time, there is also an emerging shift taking in the global tourism paradigm that demands greater cooperation and collaboration at the local and regional levels to ensure a quality tourism product that can compete effectively at the global level—what some authors refer to as coopetition (Edgell and Haenisch, 1995). From a societal perspective, these authors also assert that “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,” (pp. 2–3).

In noting the above-mentioned shift in the societal view, and indeed public expectations of tourism, Edgell and Haenisch point out the growing linkages that are occurring between tourism and cultural pursuits, foreign policy initiatives, economic development, and efforts to enhance worldwide understanding and peace. The message is clear: tourism has now achieved such prominence in virtually all economic and social spheres that its growing presence must be acknowledged in any serious effort at economic and social planning. At the same time, this newfound stature brings new obligations. These obligations include: the need to substantially enhance the quality of information used in planning and decision-making; the need to achieve political consensus around major developments that impact the economic, social, and environmental well-being of the destination in question; and finally,
the need to develop approaches to competitiveness that, although assertive and effective, are not predatory with respect to other less fortunate destinations.

**Competitiveness as a Managerial Principle in Tourism**

**Perspectives on Competitiveness**

Superficially, competitiveness appears to be a simple concept about which there is little disagreement. According to the Concise Oxford Dictionary, to compete is to strive for superiority in a quality. But it is when we try to measure competitiveness that we begin to understand the difficulties of defining it because competitiveness is both a relative concept (i.e., superior relative to what?) and is usually multidimensional (i.e., what are the salient qualities?) (Scott and Lodge, 1985, p. 6). A further complication concerns the unit of analysis and the perspective of the analyst. Politicians are interested in the competitiveness of the economy (national, regional, or local), industries or trade associations confine their interests to their own industry, and business owners and managers worry about the ability of their own firms to compete in specific markets.

Scott and Lodge (1985) 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” (p. 3). They also noted that this ability “is more and more a matter of strategies, and less and less a product of natural endowments.” As viewed by Newall (1992, p. 94), 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.” This definition views competitiveness as the key to national prosperity. “A competitive economy,” according to The Economist (1994, p. 17), “is one that exports goods and services profitably at world-market prices.” The Organization for Economic Cooperation & Development (OECD) (The World Competitiveness Report, 1994, p. 18) defines competitiveness in a similar fashion 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.” World competitiveness, according to The World Competitiveness Report (1994, p. 18), is defined as “the ability of a country or company to, proportionally, generate more wealth than its competitors in world markets.” Competitiveness is viewed as combining both assets and processes where assets “are inherited (e.g., natural resources) or created (e.g., infrastructure)” and processes “transform assets into economic results (e.g., manufacturing).”

There seems to be no generally accepted definition of competitiveness. It is perhaps too broad and complex a concept, defying attempts to encapsulate it in universally applicable terms. Porter (1990, pp. 3–4) has remarked about the wide variety of perspectives on competitiveness, and Krugman (1994, 1996) has argued that bad policies at the national level have resulted from the obsession with competitiveness. Perhaps the situation is best summed up by Spence and Hazard (1988, p. xvii) as follows:

> The problem of international competitiveness has been defined in highly diverse ways. These definitions (and the proposed solutions to the problem) are partially inconsistent, and thoroughly confusing to most academics, politicians, policy-makers, and business managers. There is good reason for this confusion. The collection of problems alluded to as “competitiveness” is genuinely complex. Disagreements frequently occur not only at the level of empirical effects and of policies, but also in the very definition of the problem. Well-intentioned and reasonable people find themselves talking at cross purposes; sometimes it almost seems they are addressing different subjects.

**Framework for Understanding Competition**

To understand the plethora of perspectives on competitiveness, a framework that provides a coherent organization of these perspectives would be helpful. One such framework is provided in Table 2. This figure summarizes and contrasts the levels of competition—namely, companies and products, national industries, and national economies—in terms of the principal elements of competition—that is, the structure, territory, stakes, and tools.

Porter’s (1980) familiar “five forces of competition” model identifies the basic sources of competition at the company and product level. The five forces—industry competitors, substitutes, potential entrants, suppliers, and buyers—lie within the domain of the company’s competitive micro environment. The now equally familiar national “diamond” of Porter (1990) addresses competition in terms of the determinants of national advantage in particular industries or industry segments. Whereas the five-forces model could be applied at the level of the enterprise in the tourism industry, the national-diamond model suggests the fundamental structure of competition among national tourism industries; that is, the nation as a tourist destination. Although the diamond was designed to compare, for example, the competitiveness of the Canadian tourism industry to that of the Australian tourism industry, the same group of factors would appear to be just as applicable at the level of the state/province, region, or city destination levels.

Factor conditions (both inherited and created factors of production) are a particularly important source of competitiveness to tourist destinations. Physical, historical, cultural,
Table 2. Elements and Levels of Competition

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<th>Elements of Competition</th>
<th>Level of Competition</th>
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<td>Companies &amp; Products</td>
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<tr>
<td>The structure</td>
<td>industry competitors</td>
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<td></td>
<td>substitutes</td>
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<td>potential entrants</td>
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<td></td>
<td>suppliers</td>
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<td></td>
<td>buyers</td>
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<td></td>
<td>(see Porter, 1980)</td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>The territory</td>
<td>target markets</td>
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<td></td>
<td></td>
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<tr>
<td>The stakes</td>
<td>market share</td>
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<td></td>
<td>profitability</td>
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<td></td>
<td>survival</td>
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<tr>
<td>The tools</td>
<td>goods and services</td>
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<td></td>
<td>corporate strategy</td>
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<td>market research</td>
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and recreational resources often represent primary travel motivations. As Porter (1990) noted however, strengths in other parts of the diamond may overcome factor disadvantages. Las Vegas, for example, arose in a rather unlikely tourist location despite the earlier lack of resources.

Demand conditions, particularly domestic demand and its internationalization to foreign markets, establish the “proving grounds” for the industry. A high domestic demand confers static efficiencies and encourages improvement and innovation. Most national tourism industries depend upon domestic demand for the majority of their business. Foreign demand thrives more readily when domestic tourism is well established. Related and supporting industries that possess their own advantages can stimulate an industry. For example, leisure and recreation, retailing, and entertainment industries share activities that complement the tourism industry. Supplier industries (accommodation, transportation, food services, the arts, etc.) that are either unique or cost efficient, confer advantages to the tourism industry. The fourth point on Porter’s diamond concerns firm strategy, structure, and rivalry. A climate of competition stimulates improvement and discourages stagnation. For example, the continuing development and expansion of Las Vegas casinos and more recent diversification beyond gambling to encompass a broader range of entertainment and family-oriented activities has enabled Las Vegas to remain at the top.

To the competitive diamond Porter added two additional variables, chance events and government, which can influence any of the four major determinants. Chance events, which suddenly alter the playing field, introduce opportunities for some and threats for others. For example, a terrorist event may direct tourists from one destination to another. Political boycotts or embargoes can suddenly place a tourist destination off limits. The outbreak of a deadly virus, the collapse of a currency, or environmental catastrophes such as hurricanes and earthquakes can create sudden discontinuities in the pattern of tourist flows. How an industry reacts to these chance events (e.g., the reaction of the tourism industry in Florida to deal with crimes targeted toward tourists), either to exploit an opportunity or overcome a threat, can be critically important.

The influence of government can also be significant through its indirect impact on the determinants of national advantage in an industry. In some countries governments may also exert a direct impact on an industry (e.g., government-run National Tourist Offices and destination promotional campaigns). Governments have tended to become more actively involved in tourism as the stakes have grown. They have both discouraged tourism (e.g., foreign exchange restrictions by France, the United Kingdom, and Japan in the late 1960s—Bond, 1979; Witt, 1980), and encouraged foreign travel (e.g., the Japanese government’s “Ten Million Program” to double overseas travel between 1986 and 1991—Bucklely et al. 1989).
The structure of competition between national economies bears some resemblance to the determinants of Porter’s diamond because economies are made up of industries. However, by necessity the determinants are more generic, less industry specific. The eight factors listed in Table 2 have been used for a number of years now in measuring the competitiveness of national economies in The World Competitiveness Report (1994).

Managing the Framework
The levels of competition form a hierarchy in which the nature of competitiveness is addressed at different levels of aggregation. As competitiveness at each level is interdependent, strategies for competitiveness, to be effective, need to be congruent (Samli and Jacobs, 1995). Companies, national industries, and national economies require a shared vision and effective lines of communication if competitive strategies are to work in concert rather than at cross purposes. This is unlikely if the different levels do not share the same basic understanding of the factors that shape competition. A model of destination competitiveness would offer the tourism industry a mechanism for analyzing, diagnosing, planning, and communicating competitive strategies.

Competitiveness in the Service Sector
The concept of competitiveness is based largely on research in the goods-producing sector. Yet, today, in industrialized economies, the service sector dominates. Although most of the service economy is driven by domestic demand, the volume of internationally traded services is increasing rapidly (Mohan, 1990). Unfortunately, little is known about competitiveness in services (Porter, 1990, p. 239; Palmer, 1985; Sapir, 1982; Siniscalco, 1989), but international success in service trade is as significant to a nation as international success in traded goods (Porter, 1990, p. 266; Newall, 1992, p. 94; Krugman, 1994, p. 43).

A few researchers have examined the applicability of the theory of international trade to traded services and have generally concluded that there is nothing in the theory that intrinsically makes it less applicable to services (Deardorff, 1985; Feketekuty, 1988; Richardson, 1987; Sapir, 1982; Riddle, 1986; Gray, 1989). Free trade in services is therefore a good thing for nations. Nevertheless, Gray (1989) concludes “that a single theory of international trade . . . cannot hope to account for all of the kinds of international trade which is undertaken in this world. What is needed, then, is a more flexible body of analysis which will allow studies of specialist sub-categories to be undertaken. . . .” Instead of a general model of international trade into which international trade in services must be compressed, there is a need for a series of models for separately identifiable categories of international trade” (p. 99). Tourism, the focus of this study, “provides an excellent basis for starting work on trade in services” (Feketekuty, 1988, p. 249).

The Nature of Comparative and Competitive Advantage in Tourism
Richardson (1987, p. 61) notes that the travel and tourism sector is “fully internationally tradeable in the sense that suppliers from any country could compete in these markets in a fully liberalized institutional environment.” As the tourist is required to travel to a destination to receive the destination experience (service), factor conditions are important determinants of attractiveness. One would expect therefore, that the theory of comparative advantage, which recognizes spatial variations in endowments of the factors of production, would help to explain the competitiveness of tourist destinations. But Porter (1990, p. 20) has argued for a new theory of competitive advantage that goes beyond the limited types of factor-based comparative advantage to incorporate spatial differences in the ability to apply or to make effective use of these factors.

To understand the competitiveness of tourist destinations, therefore, it is appropriate to consider both the basic elements of comparative advantage as well as the more advanced elements that constitute competitive advantage.

Comparative Advantage
Comparative advantage concerns a destination’s factor endowments, both naturally occurring as well as created. Porter (1990) identifies five broad categories: human resources, physical resources, knowledge resources, capital resources, and infrastructure. In a tourism context it seems appropriate to add historical and cultural resources as an additional significant resource category and to expand the infrastructure category to include tourism superstructure.

The resources that make up a destination’s factor endowments change over time, altering the comparative advantage of a destination. Naturally occurring resources can be divided into two types—those that are renewable and those that are not. For example, hunting and fishing, provided the stock of wildlife is well above sustainable levels, involves a renewable resource. On the other hand, a decision to clear a sensitive ecological reserve for development can not be reversed. The stock of created resources, too, changes over time but, because these are created, they are typically more renewable than naturally occurring resources. Nevertheless, certain created resources, particularly those of historical significance (such as an archeological artifact) or contemporary cultural significance (such as a famous piece of art work) may not be renewable. This is an example where the distinction between naturally occurring or inherited, and created or man-made resources becomes moot.

The wise stewardship of resources is critical, therefore, to the long-term competitiveness of a tourism destination. Strategies are required for the education and training of human
resources, the protection and care of natural physical resources, the expansion and domestication of knowledge resources, the investment and growth of capital resources, the construction and maintenance of infrastructure and tourism superstructure, and the preservation and fostering of historical and cultural resources.

The World Competitiveness Report (1992) makes an important point concerning the role of nonrenewable resources in a nation’s competitiveness. The report argues that, under the traditional theory of comparative advantage, countries are better off if they trade the products or services that give them the greatest advantage, or least disadvantage, relative to their possible trading partners. A comparative advantage can be based on having an abundance of natural resources in a country, for example oil, whereas competitive advantage can only be based on an entrepreneur’s ability to add value to the available resources, by refining the crude oil. By merely selling its natural richness, a country does not become better off in the long-term—a sale must be written off as a minus on the national balance sheet; selling the value added (and not the resources) creates a surplus that a country can then invest in its economic development” (pp. 12, 14). For this reason, the World Competitiveness Report model focuses on value added and ignores inherited factors.

In tourism, however, these arguments concerning the relevance of natural resources to competitiveness do not apply. A country’s natural resources are clearly an important source of comparative advantage in tourism. However, in contrast to the sale of resources such as oil or minerals, tourists do not return home with any significant physical elements from the “exporting” country (other than the odd artifact or photograph). As such, these resources are not depleted, despite the fact that people have paid for their “use.” In tourism, the tourists purchase an opportunity to briefly experience such resources as scenery, culture, and climate—but this experience does not necessarily create a corresponding minus on the national balance sheet. Indeed, the fact that certain visitors have experienced a particular destination may enhance its appeal and therefore increase its value, to others.

At the same time, it must be acknowledged that tourism can produce externalities that “must be written off as a reduction in the domestic value added since it implies that the quality of the national resources has deteriorated. Countries should not be misled into seeking short-term prosperity at long-term cost. Value added on the long-term is what really constitutes the basis for prosperity of nations” (The World Competitiveness Report, 1992, p. 14). Such externalities in tourism include, for example, environmental pollution, the despoliation of scenic areas, social fragmentation, the spread of disease, the encroachment into wildlife habitats, and the creation of tourist ghettos.

Despite the possibility of the above externalities, it is argued the tourism phenomenon represents a fundamentally different form of economic exchange than does the sale of physical resources. Based on this premise, it can be further argued that, in the context of tourism, inherited, naturally occurring resources are important. A possible counter argument is that the natural resources of tourism have no economic value in themselves (although many would argue that value cannot be measured in economic terms alone). That is, for example, a scenic valley has no economic value in itself if the only creatures able to experience the scenery are the local fauna. Building a road into the valley, thus providing access to tourists, does however provide value. But, as the value is created only by the building of the road, and as the scenery is not “sold” (resulting in a corresponding depletion of natural resources) it can be asserted that the concept of comparative advantage is relevant or operative in this example. In brief, because value has been added, this may be said to represent a case of competitive rather than comparative advantage.

Despite this counter argument, there still remains a fundamental difference in the sale of an experience related to the use of a resource as opposed to the sale of the resource itself. Indeed, even physical resources require enhancement (or the adding of value) before they can be sold. Oil or minerals in the ground need to be accessed and physically removed from their original location before they become useful commodities. This process, then is the equivalent of providing access to a beach or a scenic area. However, the nature of the exchange process is conceptually and fundamentally different.

**Competitive Advantage**

Where comparative advantages constitute the resources available to a destination, competitive advantages relate to a destination’s ability to use these resources effectively over the long-term. A destination endowed with a wealth of resources may not be as competitive as a destination lacking in resources but which is utilizing the little it has much more effectively. By this we mean that a destination that has a tourism vision, shares this vision among all stakeholders, understands both its strengths as well as its weaknesses, develops an appropriate marketing strategy, and implements it successfully may be more competitive than one that has never asked what role tourism is to play in its economic and social development.

Internationally, Singapore and Russia stand at opposite ends of the comparative/competitive advantage continuum. Russia possesses enormous physical, historical, and cultural (i.e., naturally occurring or inherited) resources, yet lacks the human, knowledge, and capital resources as well as the infrastructure and tourism superstructure (i.e., created resources) required to bring these assets to the market. By comparison, Singapore’s natural, historical, and cultural resources are inferior but its endowments in the other factors of production surpass those of Russia. In addition, however, Singapore is able to apply its greater competitive advantages more effectively. Perhaps most notable is Singapore’s reputation for service in its hotels and airlines. Singapore is safe, clean, and hospitable. Its enterprises are reliable, its prices are competi-
tive in terms of value, and the country functions as a highly tuned nation.

Singapore and Russia have a very different mix of factors (known as factor proportions), which only partly explains their difference in destination competitiveness. Competitive advantage, the “other side of the coin,” explains the rest because it introduces the additional effect of differences in the deployment of the resources—that is, where and how a destination chooses to mobilize its comparative advantages. Indeed, Porter (1990, p. 83) has noted that nations that are factor disadvantaged are often stimulated to find innovative ways of overcoming their comparative weakness by developing competitive strengths.

Different destinations have adopted a variety of modes for deploying tourism resources. As noted earlier, in the past governments played a much less active role in destination management. Today, however, various areas and levels of government are involved in the promotion, regulation, presentation, planning, monitoring, maintenance, coordination, enhancement, and organization of tourism resources. The locus of control by government varies from one destination to another. In some countries, the national government may play a dominant role, whereas in others, state or local governments may be more important. For example, in 1996 the U.S. federal government ceased operation of the federal U.S. Travel and Tourism Administration in favor of state level–controlled organizations and greater responsibility by industry.

The actions of various industry associations affect the deployment of tourism resources. Paramount bodies such as the Travel Industry Association of America, the Tourism Industry Association of Canada, and the Tourism Council of Australia and sectoral associations such as air transport associations, hotel associations, restaurant associations, etc., seek to promote the interests of their membership, which includes acting as a voice on matters concerning the cost, accessibility, regulation, and deployment of tourism resources.

Despite the central role of government and industry associations, the collective actions of the many thousands of individual tourism and related enterprises has the greatest impact on resource deployment. Governments may place constraints around the way in which resources are used, but, within these constraints, firms decide precisely where and how they will be deployed.

Special interest groups such as environmental organizations, community associations, consumer groups, recreational associations, and others are often vigilant in expressing their views on tourism development, particularly as it concerns perceptions of adverse ecological, social, and cultural impacts.

Tourism resources are likely to be used more effectively when the different modes of deployment share a common view regarding a destination’s strategy for tourism development. If this is to occur, stakeholders must agree on a body of research and information that details the state of these resources. Effective and inclusive communication between all stakeholders helps to chart a destination’s course.

The mobilization or deployment of resources for competitive advantage may be considered to consist of five elements. First, an audit or inventory of resources is required before they can be deployed appropriately. This involves more than just a cataloguing and listing of resources. It is also important to understand something about the capacity of the resources, including limitations and consequences of their use. Maintenance of resources is the second element. The stock of resources must be maintained in an appropriate way to guard against undue deterioration and facilitate sustainability. For man-made resources in particular, actions that facilitate the growth and development of the stock of these resources are important. Finally, the efficiency and effectiveness of resource deployment creates competitive advantage.

**Destination Competitiveness**

Whereas destinations compete primarily for economic reasons, with an emphasis on attracting tourist expenditure, other motives may also underlie tourism development. For example, international tourism provides an opportunity to showcase a country as a place to live, to do business with, to invest in, and to trade with. It may be used for political reasons to bolster national pride. Increasingly, through careful management, attempts are being made through tourism to help preserve ecological resources and cultures. For example, tourism can provide a powerful economic incentive to protect African wildlife in the fight against poaching, or to encourage rural residents to pursue their traditional culture in the effort to stem the flow of people in third-world countries toward overpopulated cities. Tourism also facilitates international understanding and promotes peace (D’Amore, 1988) and may be used as a tool to further the international goals of a country (Buckley et al., 1989). The multiplicity of goals adds to the difficulty of conceptualizing the destination competitiveness concept.

An additional complication concerns the issue of how resources are allocated across different industries and sectors of the economy. Competitiveness in any sector, including tourism, can be improved by shifting resources away from other sectors. One would hope that governments and the private sector would carry out this resource allocation process with the nation’s prosperity in mind. There is no guarantee that this will be the case. Some sectors may be more effective than others, for example, in lobbying for government support. The agriculture and petroleum sectors, for example have typically been much more persuasive than has tourism in influencing public policy.

Despite these difficulties, it seems reasonable to focus attention on long-term economic prosperity as the yardstick by which destinations are to be assessed competitively. A long-term view will help to internalize the broad range of costs and benefits into the economic picture.

Poon (1993) calls for a greater strategic orientation by tourism destinations if they are to adjust to the competitive realities of “new” tourism. She argues that “Competitive strate-
gies are . . . critically important for tourism destinations to sail a new tourism course. This is so because:

1. Comparative advantages are no longer natural.
2. Tourism is a volatile, sensitive, and fiercely competitive industry.
3. The industry is undergoing rapid and radical transformation—the rules of the game are changing for everyone.
4. What is at stake is not just tourism but the survival of tourism-dependent economies.
5. The future development and viability of tourism-dependent economies will depend not only on tourism, but on the entire service sector” (p. 291).

Poon further suggest four “key principles” that destinations will need to follow if they are to be competitive: (1) put the environment first, (2) make tourism a lead sector, (3) strengthen the distribution channels in the marketplace, and (4) build a dynamic private sector (p. 24). Although these suggestions have merit, one might ask whether there are not other critical competitiveness factors from among the many comparative and competitive advantage dimensions we have so far only touched upon. These four principles are too broad and general to be managerially useful. A deeper, richer understanding of destination competitiveness is required.

The concepts of comparative and competitive advantage provide a theoretically sound basis for the development of a model of destination competitiveness. But, as noted earlier, no single general trade theory will provide the necessary insight or cover the most appropriate determinants from among the many variables possible. “The information that should guide the decision-maker in dealing with the targeting of competitive [tourism] resources is lacking in this critical area” (Haathi, 1996, p. 13).

A mere listing of comparative and competitive factors, no matter how comprehensive it may be, is not sufficient. It is also necessary to understand the relationship and interplay between factors of competitiveness—that is, a systemic model of destination competitiveness is required. For example, a destination may not possess a dominant position of strength on any particular determinant yet still be highly competitive because its system of factors is unique. Porter (1990, p. 147) emphasized the significance of the system with his diamond. Poon (1993, p. 205) too noted the increasing “system-like” nature of the tourism industry. In the next section we develop a conceptual model that systemically addresses the nature of destination competitiveness.

A Conceptual Model of Destination Competitiveness

The conceptual model that follows arose out of a coalescence of several research activities and ideas. The evolution of the model progressed inductively beginning with a few broad assumptions and concepts. Over about a 4-year period the concepts and propositions behind the model emerged from the ground up, maturing in its present form. In summary form, the grounded research (Glaser and Strauss, 1967) comprised the following elements in progression: (1) prior to 1993, separate research by the authors on the determinants of international tourism demand (Crouch, 1996); and tourism policy and planning, and destination image, respectively; (2) the joint preparation of a basic report (keynote paper) for the 43rd Congress of the Association Internationale d’Experts Scientifique du Tourisme (AIEST) with the theme of the competitiveness of long-haul tourist destinations (Ritchie and Crouch, 1993); (3) a focus-group discussion on the topic of destination competitiveness with a class of participants from Convention and Visitor Bureaus (CVBs) attending the University of Calgary’s Executive Program in Destination Management (EPDM); (4) a series of conference-call interviews on destination competitiveness, lasting about an hour, with a number of presidents and CEOs of some of the largest CVBs and National Tourism Organizations (NTOs) in North America; (5) a computer-facilitated focus group (using the University of Calgary’s Group Decision Support System Laboratory and Vision Quest software) to gather views from a further EPDM class; (6) a special session at the 1993 AIEST Congress using transportable computer hardware and Option Finder software to gather data; (7) feedback, debate, and introspection stemming from papers on the topic of destination competitiveness presented at several conferences (including the 1994 Administrative Sciences Association of Canada Conference in Halifax (Crouch and Ritchie, 1994); an invited presentation in 1994 at the Victoria University of Technology, Australia; the 1994 Quality Management in Urban Tourism conference at the University of Victoria, Canada (Kirker and Crouch, 1994); an invited presentation in 1995 at San Diego State University (Ritchie and Crouch, 1995); the 1995 World Business Congress in Istanbul (Crouch and Ritchie, 1995); an invited presentation in 1996 at La Trobe University, Australia; and the 1996 Annual Council on Hotel, Restaurant and Institutional Education Conference (Crouch and Ritchie, 1996); and from further discussions with CVB executives attending the University’s EPDM program.

The qualitative research involving the interviews described in (4) above represented a significant phase in the evolution of the model. The following set of questions guided these open-ended interviews:

1. In your view, what are the factors that determine the success or competitiveness of a major tourism destination? Is it possible to prioritize these factors? How would you do it?
2. What criteria are you using to assess success or competitiveness?
3. Are success or competitiveness factors different for the international and domestic market? If so, how?
4. What do you consider are the greatest competitive strengths of [destination concerned]?
5. Could you identify several destinations that you con-
sider to be highly competitive in the domestic and/or international marketplace? Why are they particularly competitive?

6. What do you consider to be the main determinants of the “cost” of a destination? How important is productivity in determining the cost of destination tourist services and, in turn, destination competitiveness?

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

The resulting conceptual model is illustrated in Figure 1. As the focus of this study is on the link between tourism and QOL, and the significance of the destination competitiveness concept, a detailed discussion of the model is beyond the scope of this present work. Such a description of the model and its concepts will be found in Ritchie and Crouch (under preparation).

A brief overview of the model, however, follows.

The conceptual model is not predictive or causal. Rather, its primary purpose at this stage is to explain. The model is relatively abstract in its present form in that it does not lay out specific empirical generalizations. It is best described, using Neuman’s typology (Neuman, 1994, p. 51) as a “theory on a topic.”

**Competitive (Micro) Environment**

A destination’s competitive (micro) environment constitutes the most salient elements that define its immediate arena of competition (Kotler, 1988). Apart from the destination itself, it includes members of the travel trade (i.e., tour packagers, suppliers, retail travel agents, specialty channelers, and facilitators), tourism markets, competitive destinations, and a nation’s publics or stakeholders (including residents of the destination, employees of the tourism and hospitality industry, citizen-action groups, the media, financial, and investment institutions, relevant government departments, and immediate neighborhoods). As components of the tourism system, they shape the immediate environment within which a destination must adapt in order to compete.

**Global (Macro) Environment**

In developing the model of destination competitiveness, it was important to recognize that the field of tourism is constantly influenced by a range of major global forces. In recent years, some of the most significant of these forces relate to a growing concern for the natural environment, the economic restructuring of economies that is occurring worldwide, the shifting demographics of the marketplace, the increasingly complex technology-human resource interface, the emergence of cultural diversity in a homogeneous world, and the global spread of democracy (Ritchie, 1992). These forces present a given destination with a number of special concerns, problems, or issues that it must either adapt to, or overcome, if it is to remain competitive. At the same time, these forces provide destinations with a whole new spectrum of opportunities for innovation and market exploitation.

Users of the model must always keep in mind that both the micro and macro environments that so strongly influence destination competitiveness are in a constant state of change and evolution. It is essential for destination managers to regularly monitor the state of both environments, and this monitoring must be an integral component of the tourism destination management information system.

**Core Resources and Attractors**

This component of the model describes the primary elements of destination appeal. These factors are the key motivators for visitation to a destination. Whereas 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 another. These factors fall into six categories: physiography, culture & history, market ties, activities, events, and the tourism superstructure.

The physiography of a destination is so important that it might also be deemed a qualifying determinant of visitation. Because it includes the overall nature of the landscape and the climate of the destination, it defines the nature of the environmental framework within which the visitor exists and enjoys the destination. It also defines much of the aesthetics and visual appeal of the destination—and because it is a factor over which destination managers have little or no control, much of the built tourism environment is constrained by its characteristics. Thus, to a great extent, destination physiography is the one parameter of core attractiveness around which other factors must be creatively developed.

The culture and history of the destination is the second dimension of destination attractiveness, which tends to be defined by time and history. Although it may be viewed as somewhat more malleable than physiography from a management perspective, the culture and history of a destination is also determined well outside the scope of tourism. Indeed, it can be argued with great justification that little or no attempt should be made to alter, and especially to prostitute, local culture and history, for the purpose of tourism development.

Once this constraint is accepted, however, a destination’s culture and history furnishes a basic and powerful attracting force for the prospective visitor. This force appears to be
Figure 1. Conceptual model of destination competitiveness.
Growing in significance for many segments of the travel market, particularly in today’s world of “homogenized tourism,” where one destination often seems to resemble another. Thus, if a destination can provide visitors with a unique setting within which to experience lifestyles outside of their day-to-day routine, it has a clear competitive advantage. If this lifestyle is complemented by historical environments that contrast with those found in the home situation, the destination has a clear competitive advantage in efforts to create a memorable experience.

The market ties component of destination attractiveness is also outside of the direct control of tourism destination managers. Nevertheless, it evolves over time and can be influenced to varying degrees by those responsible for managing a tourism destination.

The, term market ties includes several dimensions along which a destination establishes and builds linkages with the residents of tourism originating regions. Ethnic ties resulting from immigration patterns that have evolved over time—often long periods of time—provide the strongest and perhaps most enduring linkages for building systematic and predictable travel flows to a destination. The visiting friends and relatives (VFR) segment of the travel market, although not necessarily the most profitable segment, provides a firm foundation for building tourism within a destination. Even more important, it often leads to the establishment of business ties that can generate both a steady flow of visitors and create other forms of economic development.

The range of activities within a destination represents one of the most critical aspects of destination appeal—and one over which destination managers do have extensive influence and control. Whereas the activities within a destination may be defined to a large extent by physiography and culture, there is nevertheless considerable scope for creativity and initiative.

The importance of the activities dimension of destination attractiveness appears to be growing as the traveler increasingly seeks experiences that go beyond the more passive visitation practices of the past. The challenge facing the tourism destination manager is to develop those activities that take advantage of the natural physiography of the destination while remaining consistent with the local culture and its value. For example, a nature-based destination should take the opportunity to strengthen its appeal by developing activities that build on this strength; a historical/cultural destination should creatively identify and develop activities that reinforce this foundation of its appeal.

The attractor defined as special events represents a distinctive extension to that of activities. It is of particular managerial interest since it is one over which destination managers have a great degree of control. The term “special events” refers to a wide range of “happenings” that can create high levels of interest and involvement on the part of both visitors and residents. The spectrum of possible special events ranges from modest community festivals to large scale international mega-events such as the Olympic Games, World Expositions, and global sporting championships. Each end of the spectrum has an important role to play. Local festivals provide the opportunity to involve residents in events of particular relevance to their daily lives, and may also draw visitors from nearby regions. Mega-events (Ritchie, 1984) demand a much higher level of commitment, while providing a much greater opportunity to establish a destination’s tourism credentials at the international level. Although generally more commercial and professional in nature, the decision to host a particular type of mega-event should not ignore the interests and potential for involvement of members of the local community.

The final core dimension of destination attractiveness, tourism superstructure, is another over whose development destination managers can exert a considerable amount of control. In fact, it is the tourism superstructure comprised primarily of accommodation facilities, food services, transportation facilities, and major attractions that many view as the “tourism industry.”

Although some elements of the tourism superstructure may be categorized by some as supporting factors of destination appeal, in that visitors do not, for example, normally choose a destination just to eat and sleep. They do, however, visit a destination largely because of the appeal of its attractions. Despite the possible legitimacy of the view excluding accommodation and food services, it can also be argued with considerable force that the quality of these factors can represent in itself a significant percentage of the overall appeal of a destination. Again, the earlier example of Las Vegas seems relevant here. For this reason, the present model defines them as components of core attractiveness.

Supporting Factors and Resources

Whereas the core resources and attractors of a destination constitute the primary motivations for inbound tourism, supporting factors and resources exert more of a secondary effect by providing a firm foundation upon which a successful tourism industry can be established. One of the most important of these is the extent and condition of a destination’s general infrastructure. The range and quality of local transportation services, a reliable and potable water supply, sanitation, communication systems, public facilities, etc., are all critical to any economic and social activity. Facilitating resources and services such as various areas of the public service, financial institutions; the availability and quality of local human, knowledge and capital resources; and education and research institutions, etc., provide many of the sorts of inputs upon which the tourism industry depends.

The health, vitality, and sense of enterprise, entrepreneurship, and new venture development in a destination contribute to its competitiveness in a variety of ways (Crouch and Ritchie, 1993). The tourism industry is replete with many small to medium-sized enterprises. The extent to which tourism devel-
opment advances economic prosperity and the QOL of residents depends significantly upon the actions and success of these firms. Porter (1990, p. 125) noted that “Invention and entrepreneurship are at the heart of national advantage.” He argues that the role of chance does not mean that industry success is unpredictable, as entrepreneurship is not random.

The accessibility of the destination, too, is a supporting factor since it is governed by a wide variety of influences, many of which may depend on much broader economic, social, or political concerns. For example, regulation of the airline industry; entry visas and permits; route connections, hubs, landing slots; airport capacities; competition among carriers; etc. affect the accessibility of a destination beyond that which its mere physical location might suggest. Within a destination, accessibility to tourism resources such as beaches, scenery, national parks, mountains, unusual land formations, etc., although perhaps influenced by the needs of the tourism industry, is normally driven by broader economic and social needs.

Destination Management

The destination management component of the model focuses on those activities 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 qualifying determinants.

By far the most traditional of these activities is the marketing of the destination. Whereas destination marketing often tends to focus largely on promotional efforts, it is critical to keep in mind that it also includes careful attention to product development, appropriate pricing policies for the destination, and a strong emphasis on developing effective distribution channels and product packaging. It also includes the strategic selection of target markets most likely to be attracted to the destination while providing yield levels that will sustain the destination.

The importance of the service dimension of destination management has also been recognized for some time. Efforts to enhance the quality of service (QOS) provided to visitors has recently been complemented by a recognition of the need to take a total quality of experience (QOE) approach to visitor satisfaction (Otto and Ritchie, 1995). This approach emphasizes the need to examine the total travel experience of visitors. Essentially, providing individual high quality services transactions is not enough. To the extent possible, destination managers must attempt to ensure a seamless, hassle-free interface among all elements of the total travel experience. In practical terms, this means paying close attention to such aspects as the convenience of intermodal transfers and travel agent responsibility for each component of travel packages they sell. In brief, on-site visitor service is not enough.

The information component of destination management pertains to the development and effective use of information systems that provide managers with the information required for understanding visitor needs, and for effective product development. This also involves the regular monitoring of visitor satisfaction and the tracking of industry performance. This monitoring function must be complemented by special research projects designed to provide specialized information for particular decisions. Finally, each destination management organization (DMO) also has the responsibility to disseminate key market and performance information to its members on a timely basis. Such information is essential to ensuring destination productivity and effectiveness.

The concept of the DMO where the “m” emphasizes total “management” rather than simply “marketing” is a somewhat recent conceptualization of the organization function within the tourism destination model (TDM). Within this refocused philosophy, a broader view is taken of the organizational structure of the destination. This broader view sees management as responsible for the well-being of all aspects of the destination. It emphasizes the provision of a form of leadership for destination development that makes extensive use of teamwork in all DMO-led initiatives. Destination promotion is no longer the sole purpose of the DMO. Although this modified role presents many new challenges, it also provides a much broader range of opportunities for ensuring destination competitiveness.

The sixth and final component of destination management of the competitiveness TDM is a new, but increasingly significant one. Resource stewardship is a concept that stresses the importance, indeed the obligation, that destination managers have, to adopt a “caring” mentality with respect to the resources that make up the destination. This involves effective maintenance of those resources and a careful nurturing of those that are particularly vulnerable to damage that may be caused by tourism. All in all, the stewardship philosophy implies ensuring an effective yet sensitive deployment of all the resources within the destination. The model is then not one of simple economic competitiveness, but one of long-term “sustainable competitiveness” that acknowledges the stewardship of ecological, social, and cultural resources.

Qualifying Determinants

This group of factors might alternatively have been labeled situational conditions because it represents matters whose affect on the competitiveness of a destination is to define its scale, limit, or potential. These qualifiers moderate, modify, or mitigate destination competitiveness by filtering the influence of the other three groups of factors. They may be so important as to represent a ceiling to tourism demand and potential, but are largely beyond the control or influence of the tourism sector alone to do anything about.

For example, clearly a destination’s location has much to do with its ability to attract visitors. Canada receives approximately 13 million U.S. tourists per year, yet Australia attracts around 310,000 Americans. Although a variety of factors may explain this discrepancy, the different locations of the two...
destinations is paramount. Now a destination is unable to change its physical location but, over time, its location, relative to important origin markets, can change. This explains why many Asia/Pacific destinations have improved their competitive position; they are now much closer to important tourism markets as many national economies in this region have outpaced world growth.

A further phenomenon relates to dependencies between destinations of either a competitive or complementary nature. For example, although Hawaii is a competitive destination in its own right, a sizeable proportion of visitors stop over in Hawaii en route to or from other Asia/Pacific nations. Hawaiian tourism is, in part, dependent on the competitiveness of these other nations. The effect of terrorism or wars in other parts of the world can affect tourism far from the source of these problems.

Safety and security within a destination can be a critical qualifying determinant. If tourist are gravely concerned about crime, drinking water, natural disasters, the quality of medical services, etc., other competitive strengths may amount to very little in the minds of potential tourists. Tourism authorities may launch recovery programs in response, which may help somewhat, but these problems may dwarf the tourism industry’s ability to act alone.

Cost, in its broadest terms (i.e., transportation costs, the effect of exchange rates, and the cost of living in a destination—particularly of tourist goods and services), is also largely a qualifying determinant. Although the tourism industry’s practices (e.g., competition, tourism-specific taxes, productivity, etc.) will affect costs, the cost of a destination is largely driven by much broader socioeconomic and global forces. For this reason, cost is considered to be more of a qualifying determinant than subject to the influences of destination management in general, and tourism productivity specifically.

Concluding Remarks

For many years, the flow of benefits from tourism has been taken for granted by many destinations. This “taking for granted” of tourism, and particularly the huge economic returns it provides, escaped attention in times of global economic growth and conditions of overall well-being in the developed nations of the world. However, once this socioeconomic well-being came under threat from global restructuring, many of these same destinations came to better appreciate the economic and social contributions being made by the tourism sector of their economies. At the same time, many new destinations have started to challenge the grip of traditional destinations on the travel market. This reality has forced everyone in the increasingly competitive tourism field to take a much more professional approach to managing the tourism resources within their boundaries.

This new professional approach has necessitated the use of more comprehensive and more sophisticated frameworks for tourism destination management. This study has presented one such framework—one that outlines a systematic approach to strengthening the ability of a destination to compete effectively in the international marketplace. The framework is based on both theoretical and practical foundations. The theoretical dimensions of the framework are documented in the various references on which the study is based. The practical foundations of the article have been derived and developed from a series of interviews with the CEOs of the Convention and Visitor Bureaus of a number of leading North American urban tourism destinations. Although the model used is certainly not infallible, it has proven extremely useful in discussing with senior managers how to most effectively manage a “serious” tourism destination. Whereas the most evident goal of the model is to achieve destination competitiveness, the clear intent of achieving this competitiveness is to enhance the well-being of the residents of that particular destination.

We have defined the overall well-being construct to include economic prosperity, environmental stewardship, and resident QOL.

It is recognized that at the present stage of development, there remain several dimensions of the model that require further work to enhance its effectiveness in specific situations, as well as the degree to which it can be generalized across situations. Some of these dimensions include: (1) the reality that many destinations simply do not have the databases required to integrate the model into their ongoing decision-making; (2) the fact that the relative order of importance (or even the magnitude of importance in some cases) of major variables, and categories of variables, has not been established. It is here that much additional, fundamental research is required; and (3) the limitations that, to date, the relationship between the model of destination competitiveness and the impact of global or macro environmental variables has only been examined in qualitative terms. At some point in model development, we believe that these relationships will be much more rigorously established in quantitative terms.

Despite these limitations, and the need for future supporting research, it is hoped that in time, the model will contribute, on a broad scale, to the enhancement of destination competitiveness. Once this is realized, it is reasonable to anticipate that destinations that enhance their competitive position will develop a parallel capability to better serve the residents of the host region. More important, especially in the context of this study, the enhanced competitiveness of the destination should lead directly to a sustainable improvement in the quality of life of these same residents.

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