

## DESTINATION COMPETITIVENESS: an overview of some issues

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### Destination Competitiveness

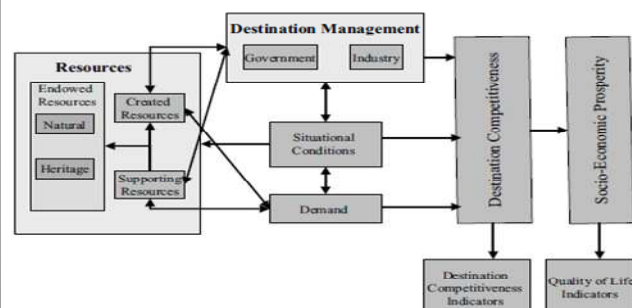
- ❑ Destination competitiveness is linked to the **ability of a destination to deliver goods and services that perform better** than other destinations on aspects of the tourism experience that are important to tourists
- ❑ Destination competitiveness is a **general concept** that encompasses **price 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.
- ❑ The competitiveness of an industry is a critical determinant of how well it performs in world markets. All stakeholders need to know **how** destination competitiveness (price and non price) is changing and **why** these changes are occurring.

## Destination Competitiveness

- ❑ The development of a model of destination competitiveness allows tourism stakeholders in both the private and public sector to:
  - Identify key strengths and weaknesses of their destination from the visitor perspective;
  - Highlight opportunities for tourism development and develop strategies to capitalise on these opportunities
  - counter possible threats to future tourism.

## Factors underpinning destination competitiveness

The model displayed here brings together the main elements of competitiveness as proposed in the wider economics and management literature



## Resources

### ❑ Endowed Resources

- *Natural resources*(mountains, lakes, beaches, rivers, climate etc)
- *Cultural/Heritage resources* (cuisine, handicrafts, language, customs etc.)

### ❑ Created Resources

- Tourism infrastructure
- Special events
- Range of available activities
- Entertainment
- Shopping

### ❑ Supporting Factors and Resources

- General Infrastructure
- Quality of Service
- Accessibility of Destination
- Hospitality
- Market Ties

- ❑ Together, these factors provide the various characteristics of a destination that make it **attractive to visit** and the **basis** for destination competitiveness.

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5

## Situational Conditions

- ❑ Situational Conditions are forces in the wider environment that **define the limit, or influence the potential** of destination competitiveness. Factor types may be:

- **Economic**
- **Social**
- **Demographic**
- **Technological**
- **Environmental**
- **Political**

- ❑ The situational conditions fall within one of two interactive and interrelated contexts of organizations operating in the destination

- the **operating environment** (industry S-C-P)
- the **remote environment** (comprises those forces and events outside the destination that constrain the strategic options of organization managers but over which management have no control. Eg. Exchange rates)
- These forces may be **positive or negative** in their influence on destination competitiveness

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6

## Destination Management

- ❑ *Destination Management* factors are those that can **enhance the appeal** of the core resources and attractors, **strengthen the quality** and effectiveness of the supporting factors and resources and **best adapt** to the situational conditions (Crouch and Ritchie 1999).
- ❑ It is useful to distinguish destination management activities undertaken by:
  - the public sector
  - the private sector.
- ❑ Included among the activities of the **public sector** are the development of national tourism strategies, destination management organisation (coordination, provision of information, monitoring and evaluation), destination marketing management; destination policy, planning, and development; human resource development; environmental management etc.
- ❑ Included among the activities of the **private sector** are those of tourism/hospitality industry associations, industry involvement in and funding of destination marketing programs, industry training programs, industry adoption of 'green' tourism operations, new product development, environmental certification programs etc.
- Together, the activities of public and private sector tourism organizations **influence types of products and services** developed to match visitor preferences.

3/11/2010

7

## Demand Conditions

- ❑ The nature of demand conditions influences destination competitiveness including the types of products and services developed within a destination
  - **Tourist preferences.** Actual visitation will depend on the match between tourist preferences and perceived destination product offerings.
  - **Awareness of destination.** Awareness can be generated by various means including destination marketing activities, and market ties (religious, sporting, ethnic and so on).
  - **Destination image.** Destination image can influence perceptions and hence affect visitation

3/11/2010

8

## Competitiveness Indicators

### 'Hard' Measures

- Visitor Statistics (numbers)
- Visitor Statistics (Expenditure)
- Changes in market share (numbers/expenditure)
- Contribution of Tourism to Economy
- Visitor yield by origin market
- Tourism Investment \$
- Government \$ Support for Tourism
- Price Competitiveness Indices

### 'Soft ' Measures

- Friendliness of hosts
- Quality of service
- Scenic beauty and grandeur
- Perception of safety and security
- etc- - -

9

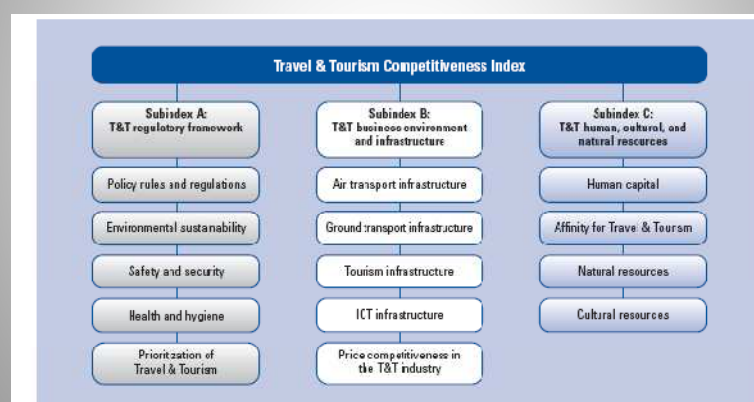
## Challenges in measuring destination competitiveness

- A major problem, underlying all attempts to establish indices of competitiveness, involves the integration of **objective** indicators of competitiveness (eg. changes in market share, foreign exchange earnings, employment generated), and **subjective** measures (eg. richness of culture, quality of service, scenic grandeur).
- There is no method available that can be used to integrate 'hard' and 'soft' factors into a **single index**
- In comparing the competitiveness of different destinations, respondents may find it difficult to estimate the 'average' for the 'competitor' destinations compared to the destination under review.
- - -In any case, destinations may be competitive in some respects but may lack competitiveness in other respects.

## The Travel and Tourism Competitiveness Index

- ❑ A **comprehensive framework** incorporating indicators that are widely agreed upon to be important to destination competitiveness has been developed under the auspices of the World Economic Forum (WEF) with input from the World Travel and Tourism Council (WTTC).
- ❑ Objective of the TTCI is to help to **explore the factors driving T&T competitiveness worldwide**
- ❑ Its explicit aim is to provide a **comprehensive strategic tool for measuring** “the factors and policies that make it attractive to develop the Travel & Tourism (T&T) sector in different countries”
- ❑ The TTCI provides a **basis for implementing policies** to improve destination competitiveness on a country by country basis
- The latest TTCI covers 133 countries, accounting for 90 per cent of world population and 98 per cent of world GDP.

## The TTCI is composed of 14 “pillars” of T&T competitiveness



## T&T regulatory framework

- Pillar 1: *Policy rules and regulations*: Prevalence of foreign ownership; Property rights; Business impact of rules on FDI; Visa requirements; Openness of bilateral Air Service Agreements; transparency of government policy making; time required to start a business; cost to start a new business
- Pillar 2: *Environmental sustainability*: Stringency of environmental regulation; enforcement of environmental regulation; sustainability of Travel & tourism industry development; carbon dioxide emissions; particulate matter concentration; threatened species; environmental treaty ratification.
- Pillar 3: *Safety and security*; Business costs of terrorism; Reliability of police services; Business costs of crime and violence; road traffic accidents
- Pillar 4: *Health and hygiene*; Physician density; Access to improved sanitation; Access to improved drinking water; hospital beds
- Pillar 5: *Prioritization of Travel & Tourism*: Government prioritization of the T&T industry; T&T government expenditure; Effectiveness of marketing and branding to attract tourists; T&T fair attendance.

## T&T business environment and infrastructure

- Pillar 6: *Air transport infrastructure*: Quality of air transport infrastructure; Available seat kilometers; Departures per 1,000 population; Airport density; Number of operating airlines; International air transport network
- Pillar 7: *Ground transport infrastructure*: Quality of roads; Quality of railroad infrastructure; Quality of Port infrastructure; Quality of domestic transport network; Road density
- Pillar 8: *Tourism infrastructure*: Hotel rooms; Presence of major car rental companies; ATMs accepting Visa cards
- Pillar 9: *ICT infrastructure*: Extent of business Internet use; Internet users; Telephone lines
- Pillar 10: *Price competitiveness in the T&T industry*: Ticket taxes and airport charges; Purchasing power parity; Extent and effect of taxation; Fuel price levels

## T&T human, cultural, and natural resources

- Pillar 11: *Human resources Education and Training*: Primary education enrolment; Secondary education enrolment; Quality of the educational system; Local availability of specialized research and training services; Extent of staff training; Availability of qualified labor; Hiring and firing practices; Ease of hiring foreign labour workforce wellness; HIV prevalence; business impacts of HIV/AIDS; Life expectancy
- Pillar 12: Affinity for Travel and tourism: Tourism openness; Attitude of population toward tourists
- Pillar 13: *Natural resources*: Number of World Heritage sites; Protected areas; Quality of the natural environment; total known species
- Pillar 14: *Cultural resources*: The number of UNESCO world heritage sites; Sports stadia seating capacity; Number of international fairs and exhibitions

## Constructing the TTCI

- ❑ The dataset used to construct the TTCI includes both **hard data** and **Survey data** from the World Economic Forum's annual Executive Opinion Survey
- ❑ The survey responses range from 1 to 7. A standard formula is used to convert each hard data variable to the 1-to-7 scale
- ❑ Each of the pillars is calculated as an unweighted average of the individual component variables. The subindexes are then calculated as unweighted averages of the component pillars
- ❑ The overall TTCI is then the unweighted average of the three subindexes
- ❑ Inevitably, there is **subjectivity in the development of the rankings**, a problem which pervades all competitiveness indexes which range over variables that are not by their nature able to be quantified precisely.



# Portugal

**Travel & Tourism indicators**

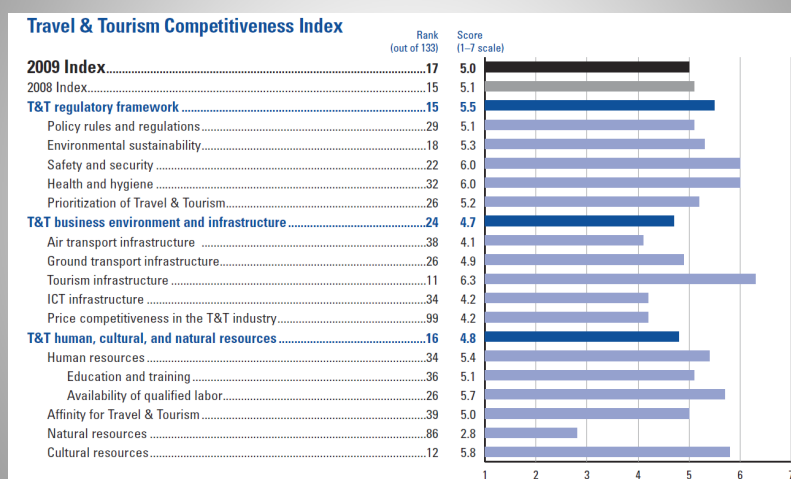
		Percent of total	2009-2018 annual growth (% forecast)
<b>T&amp;T industry, 2008 estimates</b>			
GDP (US\$ millions)	15,768	6.4	4.2
Employment (1,000 jobs)	396	7.6	1.8
<b>T&amp;T economy, 2008 estimates</b>			
GDP (US\$ millions)	38,675	15.7	4.1
Employment (1,000 jobs)	989	19.0	1.9

Source: World Travel & Tourism Council, TSA Research 2008

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International tourist arrivals (thousands), 2007.....12,321  
 International tourism receipts (US\$ millions), 2007 .....10,132

# Portugal



INDICATOR	RANK/133	INDICATOR	RANK/133
<b>1st pillar: Policy rules and regulations</b>		<b>8th pillar: Tourism infrastructure</b>	
1.01	Prevalence of foreign ownership .....71 ...■	8.01	Hotel rooms* .....22 ...■
1.02	Property rights .....35 ...■	8.02	Presence of major car rental companies* .....1 ...■
1.03	Business impact of rules on FDI .....34 ...■	8.03	ATMs accepting Visa cards* .....3 ...■
1.04	Visa requirements* .....40 ...■	<b>9th pillar: ICT infrastructure</b>	
1.05	Openness of bilateral Air Service Agreements* .....19 ...■	9.01	Extent of business Internet use .....38 ...■
1.06	Transparency of government policymaking .....63 ...■	9.02	Internet users* .....47 ...■
1.07	Time required to start a business* .....9 ...■	9.03	Telephone lines* .....33 ...■
1.08	Cost to start a business* .....27 ...■	9.04	Broadband Internet subscribers* .....31 ...■
<b>2nd pillar: Environmental sustainability</b>		9.05	Mobile telephone subscribers* .....13 ...■
2.01	Stringency of environmental regulation .....33 ...■	<b>10th pillar: Price competitiveness in the T&amp;T industry</b>	
2.02	Enforcement of environmental regulation .....33 ...■	10.01	Ticket taxes and airport charges* .....69 ...■
2.03	Sustainability of T&T industry development .....25 ...■	10.02	Purchasing power parity* .....106 ...■
2.04	Carbon dioxide emissions* .....81 ...■	10.03	Extent and effect of taxation .....94 ...■
2.05	Particulate matter concentration* .....45 ...■	10.04	Fuel price levels* .....91 ...■
2.06	Threatened species* .....71 ...■	10.05	Hotel price index* .....53 ...■
2.07	Environmental treaty ratification* .....10 ...■	<b>11th pillar: Human resources</b>	
<b>3rd pillar: Safety and security</b>		11.01	Primary education enrollment* .....21 ...■
3.01	Business costs of terrorism .....20 ...■	11.02	Secondary education enrollment* .....36 ...■
3.02	Reliability of police services .....34 ...■	11.03	Quality of the educational system .....73 ...■
3.03	Business costs of crime and violence .....21 ...■	11.04	Local availability of research and training services .....34 ...■
3.04	Road traffic accidents* .....66 ...■	11.05	Extent of staff training .....70 ...■
<b>4th pillar: Health and hygiene</b>		11.06	Hiring and firing practices .....124 ...■
4.01	Physician density* .....21 ...■	11.07	Ease of hiring foreign labor .....10 ...■
4.02	Access to improved sanitation* .....34 ...■	11.08	HIV prevalence* .....78 ...■
4.03	Access to improved drinking water* .....38 ...■	11.09	Business impact of HIV/AIDS .....17 ...■
4.04	Hospital beds* .....48 ...■	11.10	Life expectancy* .....22 ...■

<b>5th pillar: Prioritization of Travel &amp; Tourism</b>		<b>12th pillar: Affinity for Travel &amp; Tourism</b>	
5.01	Government prioritization of the T&T industry .....16 ...■	12.01	Tourism openness* .....45 ...■
5.02	T&T government expenditure* .....25 ...■	12.02	Attitude of population toward foreign visitors .....15 ...■
5.03	Effectiveness of marketing and branding .....29 ...■	12.03	Extension of business trips recommended .....49 ...■
5.04	T&T fair attendance* .....41 ...■	<b>13th pillar: Natural resources</b>	
<b>6th pillar: Air transport infrastructure</b>		13.01	Number of World Heritage natural sites* .....40 ...■
6.01	Quality of air transport infrastructure .....43 ...■	13.02	Protected areas* .....97 ...■
6.02	Available seat kilometers, domestic* .....31 ...■	13.03	Quality of the natural environment .....34 ...■
6.03	Available seat kilometers, international* .....27 ...■	13.04	Total known species* .....86 ...■
6.04	Departures per 1,000 population* .....32 ...■	<b>14th pillar: Cultural resources</b>	
6.05	Airport density* .....30 ...■	14.01	Number of World Heritage cultural sites* .....14 ...■
6.06	Number of operating airlines* .....25 ...■	14.02	Sports stadiums* .....14 ...■
6.07	International air transport network .....39 ...■	14.03	Number of international fairs and exhibitions* .....16 ...■
<b>7th pillar: Ground transport infrastructure</b>		14.04	Creative industries exports* .....33 ...■
7.01	Quality of roads .....14 ...■		
7.02	Quality of railroad infrastructure .....25 ...■		
7.03	Quality of port infrastructure .....42 ...■		
7.04	Quality of ground transport network .....25 ...■		
7.05	Road density* .....37 ...■		

## Implications of Models of Destination Competitiveness

- ❑ Do these frameworks give adequate guidance for tourism stakeholders (public and private) who wish to achieve competitive advantage for their destination by:
  - building upon strengths
  - eliminating weaknesses
  - pursuing opportunities
  - countering threats
- ❑ There are reasons to doubt this
  - These frameworks may not take adequate account of the **dynamic changes** taking place which influence tourism demand
  - Tourism stakeholders who employ such frameworks may not undertake the most appropriate tourism development strategies unless they can overcome their common tendency to adopt **strategic incrementalism** in their policy formulation and implementation
  - Strategic instrumentalism can lead to **strategic drift**
- ❑ A possible solution to avoid this situation: **Importance-Performance Analysis**

## Global Trends Affecting Tourism

### 5 key global trends

- **Globalization and long term economic trends**
- **Political trends**
- **Social and demographic trends**
- **Environment, Resources and Energy Trends**
- **Changes in Technology**

## **Globalization and Long term Economic Trends**

- ❑ Six factors that drive globalization, economic dynamism and growth**
  - political pressures for higher living standards**
  - improved macroeconomic policies**
  - deregulation/liberalisation of international trade**
  - rising trade and investment**
  - diffusion of information technology**
  - increasingly dynamic private sectors**

## **Growing World Economy**

- rising income is the most powerful generator of tourism flows**
- continued growth of national economies will generate increased outbound tourism and, to a lesser extent, domestic tourism**
- Economic growth and greater spending power, and with greater available leisure time, will give greater numbers of people the opportunity to travel**

## Political Trends

- ❑ the gap between the “haves” and “have-nots” will widen unless the “have-not” countries pursue policies that support application of new technologies
  - good governance
  - universal education
  - market reforms
- ❑ Destinations that are perceived to be less safe and secure will be avoided by tourists
- ❑ Globalisation Vs Localisation
  - **Modernity Vs Identity**

## Environment, Resources, Energy Trends

- ❑ **climate change**
  - higher temperatures
  - ozone depletion
  - sea level rise
  - loss of snow cover and permafrost
  - glacial melt in the polar regions
  - extreme weather events, precipitation and hydrological changes
- natural environments and climate will influence which destinations will be **preferred** by tourists
- climate change impacts on the **profitability** of the industry through increasing temperatures, energy and water use and increasing needs for adaptation
- Government policies will affect operator costs
- Long haul destinations particularly affected. Diminishing supplies of energy will impact on fuel costs, affecting transport costs and tourism flows
- ❑ **natural resource depletion** (energy, water)
- ❑ **land-use changes** (deforestation and desertification, salinity)
- ❑ **changes in biodiversity** (species loss)

## Technological Change

- Technology is the **foremost management tool** for successful performance and competitive advantage in the new business operating environment
- database management systems allow organisations to respond to individual preferences to stimulate tourism
- New technologies give tourists more **control** over how they spend their time and money
- New transport technology is improving the speed and comfort and reducing the real cost of travel
- all aspects of tourism and hospitality organizations in all sectors are being dramatically changed by new technology
- BUT - - the tourism industry generally has not taken an active role in developing or adapting new technology**

## Social/Demographic Trends

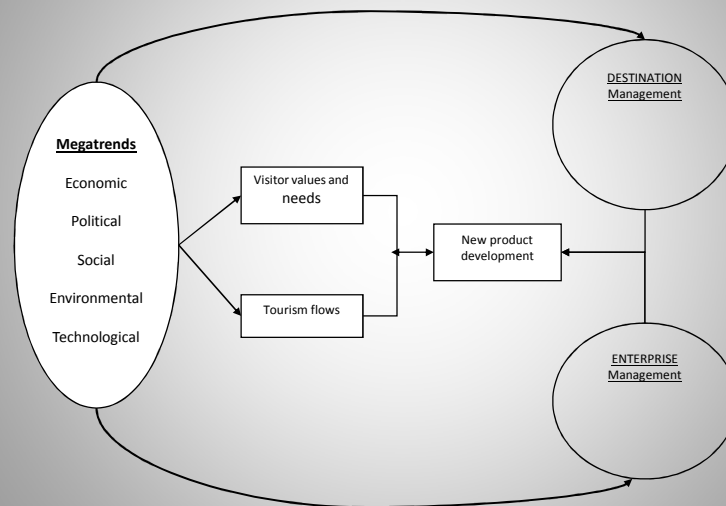
- Population and Ageing
- Urbanisation
- Changing Social Structures
- Health
- Aspirations and Expectations
- Values and Lifestyles
- Changing Work Patterns
- Gender
- Education

## Social Influences on Tourism

- ❑ **Money rich-time poor.** Leisure time has become an increasingly scarce commodity
- ❑ **Individualism.** Tourist behavior is more driven by a desire for customisation
- ❑ **Self improvement.** As more material needs are satisfied tourists seek newer/richer/deeper/authentic experiences
- ❑ **Seeking value for money.** The internet has lead to more knowledgeable consumers who seek exceptional value for money and time
- ❑ **Good service:** the tourist marketing battle is likely to see a shift from competitive pricing towards service improvement
- ❑ **Experimental.** The new tourists are extremely experimental, willing to try new products, foods and attractions, but too impatient to give a second chance to a product or service that fails to satisfy initially
- ❑ **Safety conscious.** Safety issues are becoming increasingly important
- ❑ **Social and Environmental Concern.** Tourists are becoming more aware of political, social and environmental issues for different destinations
- ❑ Think about the implications of these trends for **the Algarve**

- ❑ Taken together, these drivers and trends set the context in which the global tourism industry may be expected to develop to 2020
- ❑ No single driver or trend will dominate the global future
- ❑ each driver will have varying impacts in different regions and countries
- ❑ in some cases, these trends work at cross-purposes

## Influence of Megatrends on Tourism

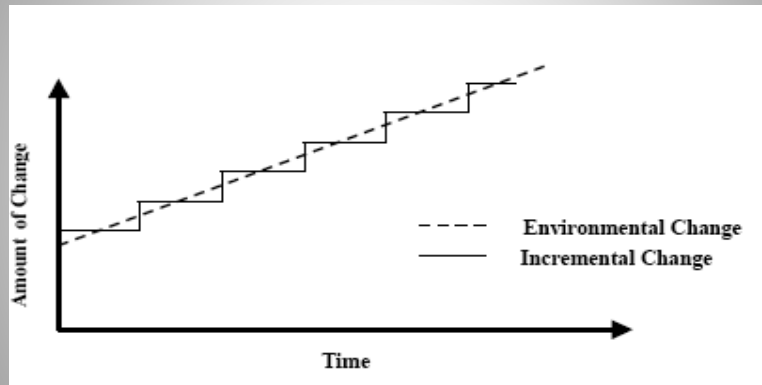


## Standard Response: Strategic Incrementalism

- Tourism Organisations, both public and private constantly need to **adapt** to changing circumstances to remain competitive.
- Managers attempt to cope with change through **constant scanning, evaluation and learning by doing**.
- When faced with pressures for change, managers often look for strategies, which are **familiar to them**.
- This may involve improving the ways in which they operate, but only **piecemeal**.
- **Incremental change is an adaptive process** to a continually changing environment
- Corresponds to what is referred to as the **'fit'** concept of strategic management.



## Incremental Change



33

## Problems with Incrementalism

- Improving 'little by little' might not be enough.
- Management may need to adapt to the bigger changes in the remote environment.
  - Organisations can gradually lose touch with changes in the business environment.
  - May be unable to retrieve the situation by incremental change.
  - Tourism organizations are **particularly vulnerable**.

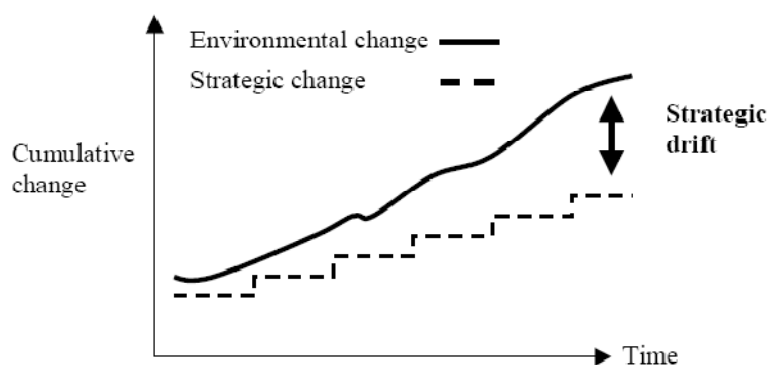
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## Incrementalism can lead to Strategic Drift

- ❑ Incrementalism can turn into a dangerously **conservative influence** preventing change.
- ❑ Organizational theorists talk of 'bounded rationality' to capture what actually happens in organizations.
  - Decision making reflects '**satisficing**' rather than optimizing
- ❑ Environmental change may not always be gradual enough for incremental change to keep pace.
- ❑ Incrementalism can lead to **Strategic Drift**
- Strategic drift occurs when an organisation's strategy gradually moves away from addressing the forces in the external environment with no clear direction, resulting in a temporary or even permanent **competitive disadvantage**.

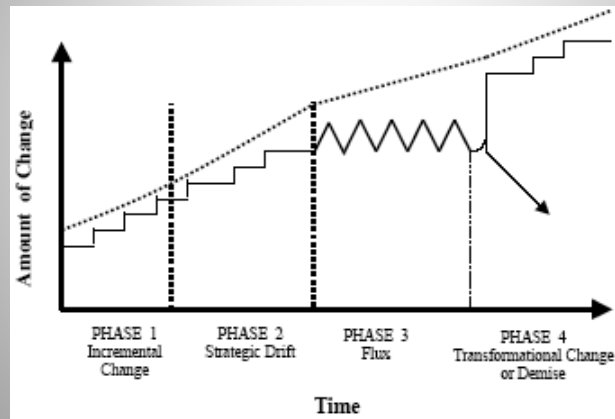
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## Strategic Drift



36

## Survival or Demise?

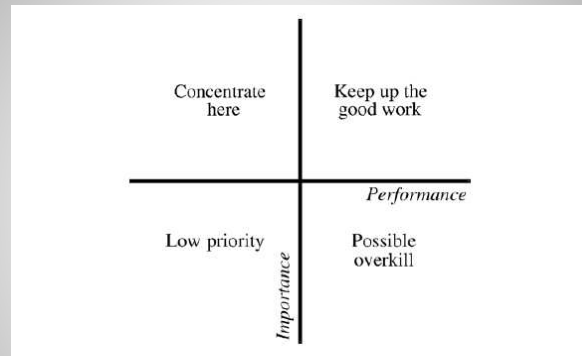


37

## Importance-Performance Framework

- ❑ One approach to assess destination competitiveness is to employ the importance-performance analysis (IPA) framework, a tool to develop **management strategies**.
- ❑ IPA is **diagnostic** in nature, facilitating the identification of attributes for which, given their importance, a product or service underperforms or over performs.
- ❑ IPA combines measures of attribute **importance and performance** into a two-dimensional grid to ease data interpretation and derive practical suggestions.
- Performance is then measured using the same set of attributes so that importance and performance can be directly compared within the same attributes via the **IPA grid**.

## The IPA Grid



## IPA GRID

- In the **North West quadrant**, the importance is high but relative performance is low. This quadrant is often labelled as “**Concentrate Here**”. In the present study such a placement would indicate that the destination needs to focus on improving its performance on these particular attributes, as their neglect could exacerbate strategic drift
- Items in the **North East quadrant** indicate items of high importance and in which the destination performs relatively well. It indicates those efforts that the destination should strive to maintain or ‘**keep up the good work**’ or at least to maintain the status quo.
- The **South East quadrant** includes items that are low in importance but relatively high in performance. This indicates areas where there may be “wasted effort” on strategy development, given the relatively low importance of the items. The quadrant is often labelled as ‘**possible overkill**’ as some of the resources invested in enhancing performance may be ‘wasted effort’ and better diverted elsewhere.
- The **South West quadrant** identifies attributes of relatively low importance and also where the destination is performing relatively poorly. These items should receive a ‘**low priority**’ in resource allocation decisions.

## Usefulness of IPA

- ❑ An IPA grid can be constructed for
  - a particular destination
  - a particular *special interest tourism market* (for example, adventure tourism, nature based tourism, heritage tourism),
  - *travel motivation* (for example, business travel, conventions market).

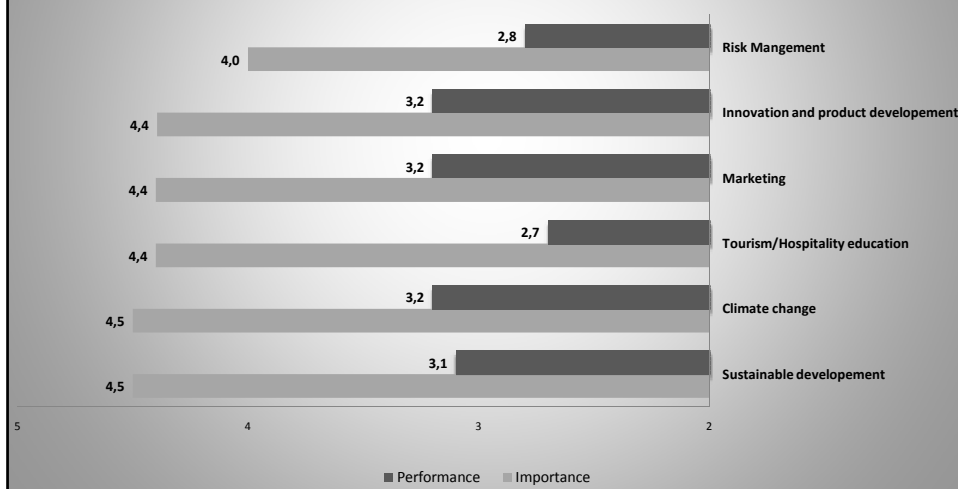
## Survey of Slovenian Tourism Stakeholders

- ❑ An on-line questionnaire was developed for the purpose of this study and was sent to **163 tourism stakeholders** in Slovenia across different sectors of the industry.
- ❑ The questionnaire was based on **49 items** indicating actions that could be undertaken by the Slovene tourism industry to meet the challenges of global trends.
- ❑ The survey required respondents to first **rank the importance** of each action for tourism development in general and then to **rank the performance** of Slovenia regarding each action.
  - a five point Likert scale ranging from 1 'strongly disagree' to 5 'strongly agree' was used for importance statements
  - a five point Likert scale 1 'poor performance' to 5 'high performance' was used for performance statements.

## Selection of Attributes

- ❑ A careful selection of attributes for measuring importance and performance is critical to development of an action agenda for Slovenia.
- ❑ Consequently, the survey instrument extends the work on the **key success elements in the tourism industry that fashion tourism development** for any given destination in the future (Dwyer et al, 2009; Dwyer and Edwards, 2010).
- ❑ These statements were grouped into **six categories**:
  - Sustainable Tourism Development
  - Marketing
  - Crisis Management
  - Climate Change,
  - Innovation and Product Development
  - Tourism and Hospitality Education.

## Means of Importance and Performance for Set of Indicators



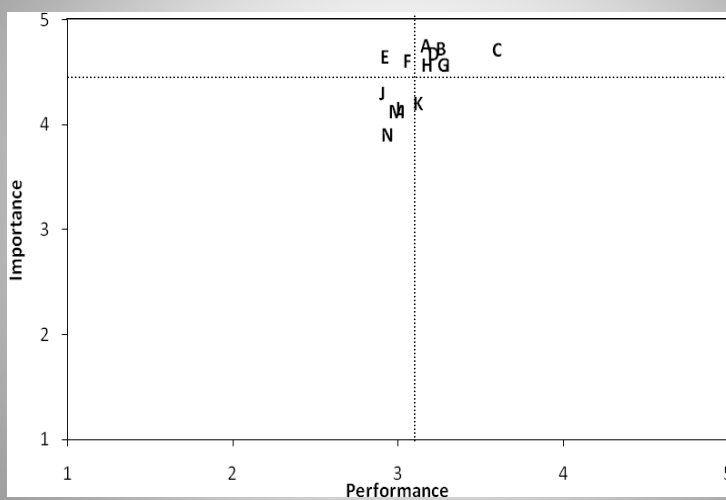
## Findings for Slovenia

- ❑ The **most important issues** for Slovene tourism stakeholders are, **in order**, those related to:
  1. Sustainable development and climate change
  2. Tourism/hospitality education, Marketing, Innovation and product development
  3. Risk management
- ❑ Slovenia **performs best** in respect actions related to:
  1. Marketing, Innovation and product development, climate change
  2. Sustainable development
  3. risk management
  4. Tourism/hospitality education
- ❑ The largest **gap** between importance and performance was identified as relating to **tourism/hospitality education**.
- ❑ **Lessons for the Algarve???**

## Sustainable tourism

	Statement	Rank by importance	Mean (N=81)		Paired sample t test	
			Importance	Performance	T	Sig.
A	Tourism enterprises must engage in long-term planning.	1	4.76	3.04	14.10	.000
B	Sustainability principles should underpin tourism development	2	4.73	3.13	16.22	.000
C	Tourism managers need to have sound knowledge of e-commerce and use of IT to achieve competitive advantage	3	4.72	3.47	11.84	.000
D	Industry should embrace 'clean green' tourism to reduce the environmental effects of their operations	4	4.68	3.08	12.17	.000
E	Tourism firms should form strategic alliances for such purposes as destination marketing and product development	5	4.65	2.79	13.00	.000
F	Networks or alliances of people along value chains is a good strategy to increase business efficiencies and improve communication along the chains	6	4.61	2.93	14.21	.000
G	Tourism development should also increase the recreational and leisure opportunities for local communities	7	4.58	3.14	10.11	.000
H	Trade in tourism should be "fair" in its distribution of the rewards of tourism to different stakeholders	8	4.58	3.04	11.11	.000
I	Firms must aim to achieve sustainability in their operations if the destination as a whole is to conform to sustainability principles.	9	4.57	3.19	10.67	.000
J	A yield focus is more important than a tourist numbers focus, for a winning destination strategy	10	4.31	2.79	11.17	.000
K	Tourism operators lack the long-term vision to adopt environmentally appropriate management strategies	11	4.21	2.99	6.83	.000
L	Consumers should be educated to purchase tourism products which match environmental constraints	12	4.16	2.89	8.66	.000
M	Green' business strategies can increase profits	13	4.13	2.84	9.21	.000
N	Visitor needs should be balanced with a destination's environmental objectives	14	3.91	2.8	8.22	.000

## Sustainable tourism

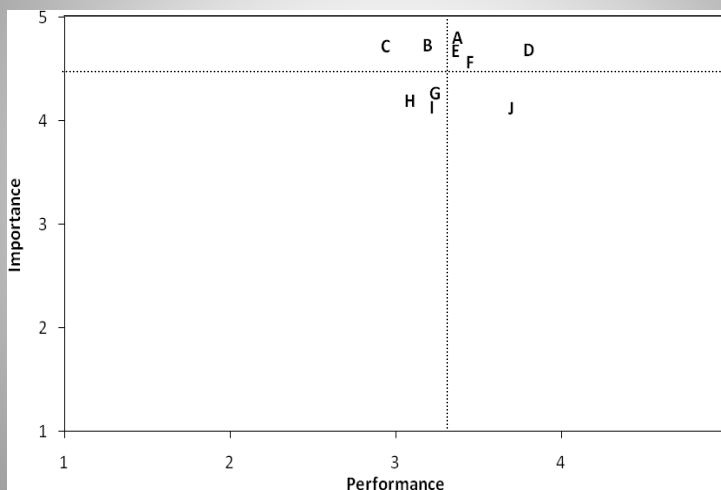


## Marketing

	Statement	Rank by importance	Mean (N=81)		Paired sample t test	
			Importance	Performance	T	Sig.
A	Product development and marketing should be targeted and increasingly theme based	1	4.81	3.25	14.70	.000
B	Tourism should promote itself to the community emphasizing its benefits for the community	2	4.74	3.07	13.39	.000
C	To ensure consistency in the marketing message, operators should collaborate with destination managers on the 'fit' between destination products and visitor preferences	3	4.73	2.82	14.57	.000
D	Smaller players can benefit from web technology as the Internet makes it possible for small businesses to connect directly to consumers	4	4.69	3.68	9.51	.000
E	Tourism firms should use database marketing to understand, communicate and build relationships with key target markets	5	4.68	3.24	12.11	.000
F	As a basis for tourism planning, policy and marketing destination managers should explore what assets exist in their country that cannot be replicated	6	4.57	3.33	10.08	.000
G	Tourism operators should shift promotion of the functional benefits of their products and services to the emotional benefits	7	4.27	3.11	9.11	.000
H	Tourism firms should engage communities such as YouTube, Twitter, Flickr, Facebook, mySpace and Second Life	8	4.20	2.96	9.88	.000
I	Destinations seek to increase resident awareness and reputation of domestic holidays	9	4.14	3.11	8.13	.000
J	Smaller players can benefit from web technology as the Internet makes it possible for small businesses to connect directly to consumers	10	4.13	3.59	4.71	.000



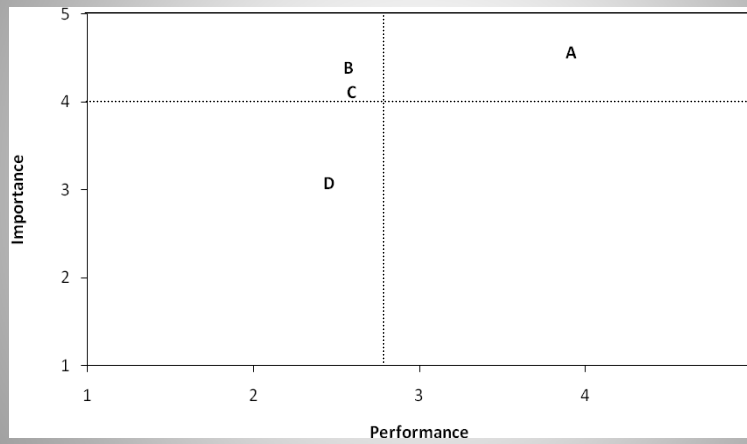
## Marketing



## Crisis management

	Statement	Rank by importance	Mean (N=81)		Paired sample t test	
			Importance	Performance	T	Sig.
A	Destination managers should make tourists' feel safe and secure while in the destination to maintain destination competitiveness	1	4.57	3.79	7.62	.000
B	Governments and operators should develop risk management strategies for tourism to deal with future crises	2	4.39	2.45	13.82	.000
C	Tourism managers should ensure that risk management strategies are part of a firms' business management plans	3	4.12	2.47	11.41	.000
D	Communicating a destination's risk management strategies is important to maintaining destination attractiveness	4	3.08	2.33	6.24	.000

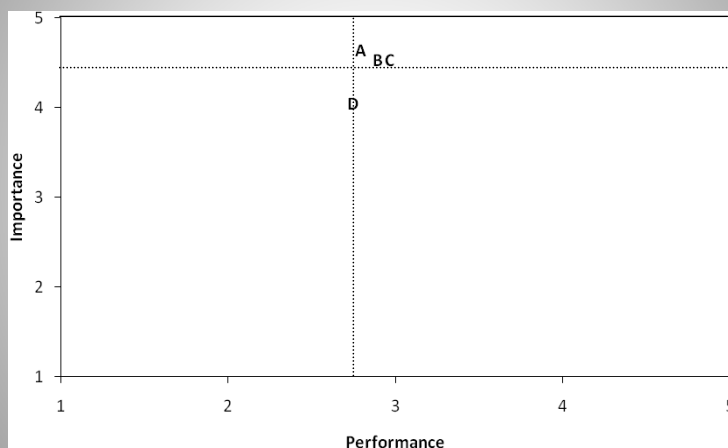
## Crisis management



## Climate change

	Statement	Rank by importance	Mean (N=81)		Paired sample t test	
			Importance	Performance	T	Sig.
A	Industry and government should work together to mitigate and adapt to climate change	1	4.64	2.67	13.76	.000
B	The tourism industry should contribute to wider efforts to reduce greenhouse gas emissions and other pollutants	2	4.53	2.77	12.41	.000
C	The tourism industry should put in place climate-friendly and climate-proof alternatives	3	4.53	2.73	13.35	.000
D	The benefits of reducing reduce greenhouse gas emissions and other pollutants will outweigh the costs involved	4	4.05	2.62	9.22	.000

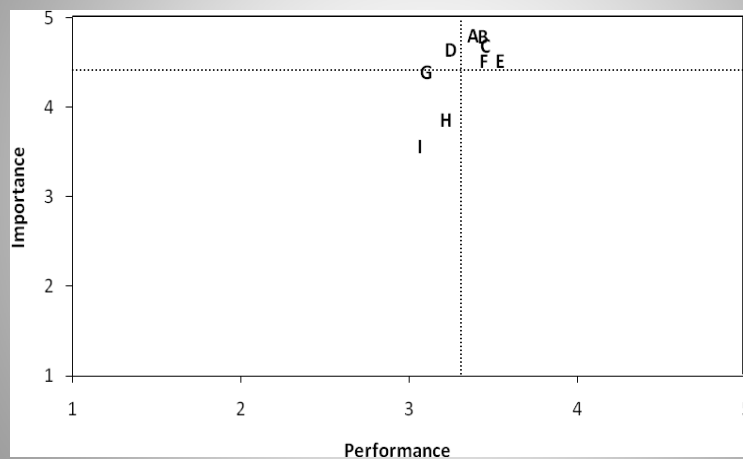
## Climate change



## Innovation and product development

	Statement	Rank by importance	Mean (N=81)		Paired sample t test	
			Importance	Performance	T	Sig.
A	Operators should become 'experience providers' developing personal encounters, and authentic experiences	1	4.81	3.24	13.59	.000
B	To maintain survival tourism firms should ensure products are continually refreshed.	2	4.81	3.26	12.30	.000
C	New product development should harmonize with the destination assets and brand	3	4.69	3.32	12.27	.000
D	Tourism firms should create niche products based on the strengths of local assets for use by local communities as well as visitors	4	4.65	3.11	13.91	.000
E	Innovation in products and services should be customer orientated	5	4.52	3.41	9.77	.000
F	Operators should seek new technologies to improve the interpretation of tourism attractions	6	4.52	3.32	11.17	.000
G	Destination managers and tourism firms should create experiences in their destinations that differentiate themselves from other destinations	7	4.40	2.96	11.40	.000
H	There is a need to re-create authentic rural experiences in urban environments to bring the 'destination' experience to visitors	8	3.86	3.08	5.20	.000
I	New product development should not be too reliant on environmentally and culturally sensitive assets	9	3.57	2.95	4.72	.000

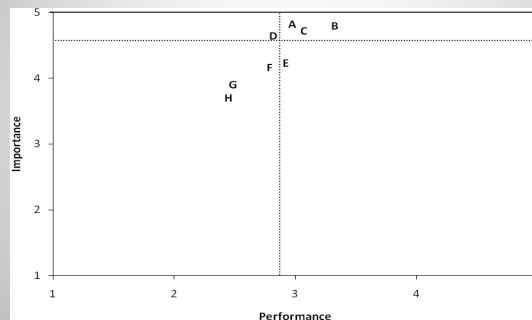
## Innovation and product development



## Tourism and Hospitality Education

	Statement	Rank by importance	Mean (N=81)		Paired sample t test	
			Importance	Performance	T	Sig.
A	The new generation of managers in the tourism and hospitality must have the knowledge content, and the adaptive capabilities to apply their knowledge in contexts of change	1	4.82	2.85	16.86	.000
B	The principles and practices of Sustainable Tourism should be placed into all tourism and hospitality curricula	2	4.80	3.20	13.28	.000
C	Tourism/Hospitality education should prepare students for a proactive, leadership role in a rapidly changing industry	3	4.72	2.95	13.94	.000
D	Destinations should provide community education and training programs that support the tourism industry	4	4.65	2.69	15.49	.000
E	Tourism employees should understand how the tourism industry operates across all industry sectors	5	4.23	2.80	11.21	.000
F	An aging population should be encouraged to undertake volunteering in tourism at the destination	6	4.17	2.67	9.82	.000
G	RE-skill an aging population to become involved in the tourism industry	7	3.91	2.36	10.49	.000
H	Tourism firms should be educated as to the importance of lifelong learning through ongoing training	8	3.70	2.32	9.69	.000

## Tourism and Hospitality Education



## Summary

- ❑ An important element of destination competitiveness is its **ability to meet and to adjust to the global changes**.
- ❑ The specific challenge for tourism stakeholders in both private and public sectors is to account for these changes **pro-actively** to ready themselves to meet **future challenges**.
- ❑ In this way, tourism stakeholders in the Algarve can act strategically as **'future makers'** rather than 'future takers'.
- ❑ The results provide strong empirical support for the inclusion of **both management and destination attributes** in studies of tourism competitiveness.

## Summary

- ❑ The IPA framework can provide a useful and easily understandable guide for identifying an action agenda for managers in both the public and private sectors
  - as a means to **help the Algarve achieve and maintain advantage over competitor destinations.**
- ❑ The approach also offers a **basis for strategy development and policy formulation** for the different market segments of the destination tourism industry.
- ❑ The approach reinforces the fact that **both** private sector and public sector decision makers can play important roles in tourism planning and development.
  - In particular, by recognising the importance of each attribute, the approach provides practitioners and policy makers with the **means to prioritise decisions** by taking account of the weighting ascribed to the attributes.

*Thank You  
obrigado*



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