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A model of destination competitiveness/ sustainability: Brazilian perspectives*

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Summary: 1. Introduction; 2. Model of destination competitiveness/sustainability; 3. An overview of components of the model.

Sumário: 1. Introdução; 2. Modelo de competitividade/sustentabilidade do destino turístico; 3. Panorama dos componentes do modelo.

Key words: competitiveness; sustainability; policy; destination management organization management.

Palavras-chave: competitividade; sustentabilidade; política; gestão da organização de administração de destino turístico.

This paper reviews the understanding I have gained from several years of research, and from several more years of ongoing discussions with industry leaders regarding the nature of competitiveness among tourism destinations. This understanding has been captured, in summary form, in the model of Destination Competitiveness/Sustainability (Ritchie and Crouch, 2003). This model contains seven (7) components which we have found to play a major role, from a policy perspective, in determining the competitiveness/sustainability of a tourism destination. In addition to the valuable understanding which these seven components provide from a policy perspective, the specific elements of each the major components provide a more useful/practical guidance to those who are responsible for the ongoing management of a DMO (Destination Management Organization). With this overview in mind, this paper will provide a detailed review and explanation of the model that I have developed with

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my colleague, Dr. Geoffrey I. Crouch of Latrobe University in Melbourne, Australia. Based on previous presentations throughout the world, it has proven very helpful to both academics and practitioners who seek to understand the complex nature of tourism destination competitiveness/sustainability.

Um modelo de competitividade/sustentabilidade de destinos: perspectivas brasileiras

Este artigo faz uma revisão do que aprendi em vários anos de pesquisa e de discussões com líderes da indústria sobre a natureza da competitividade entre destinos turísticos. Esse entendimento foi capturado, em forma de resumo, no modelo de destino competitividade/sustentabilidade (Ritchie e Crouch, 2003). Este modelo contém sete componentes que encontramos tendo um papel importante, a partir de uma perspectiva política, na determinação da competitividade/sustentabilidade de um destino turístico. Além do valioso *insight* desses sete componentes a partir de uma perspectiva política, os elementos específicos de cada componente fornecem uma orientação mais útil e prática para os que são responsáveis pela gestão permanente de uma organização de administração de destino turístico (DMO, em inglês). Com essa visão em mente, este artigo fará uma revisão e uma explicação detalhada do modelo que desenvolvi com o meu colega, o dr. Geoffrey I. Crouch de Latrobe University, em Melbourne, na Austrália. Com base em apresentações anteriores em todo o mundo, tem-se revelado muito útil tanto para acadêmicos quanto para profissionais que procuram compreender a natureza complexa da competitividade/sustentabilidade do destino turístico.

1. Introduction

While the majority of papers in this special issue are original works, I have been asked to submit this extracted summary from a major research based book which identified the factors that the CEOs of major North American destination management organizations (DMOs) believe determine the competitiveness and the success of a sustainable tourism destination (Ritchie and Crouch, 2003). The discussion, however, has been modified slightly to adapt the applications to a Brazilian context — in the hope that readers will better appreciate how the model of destination competitiveness/sustainability, on which the article is based, could be applied to enhance the competitiveness and success of tourism in Brazil.

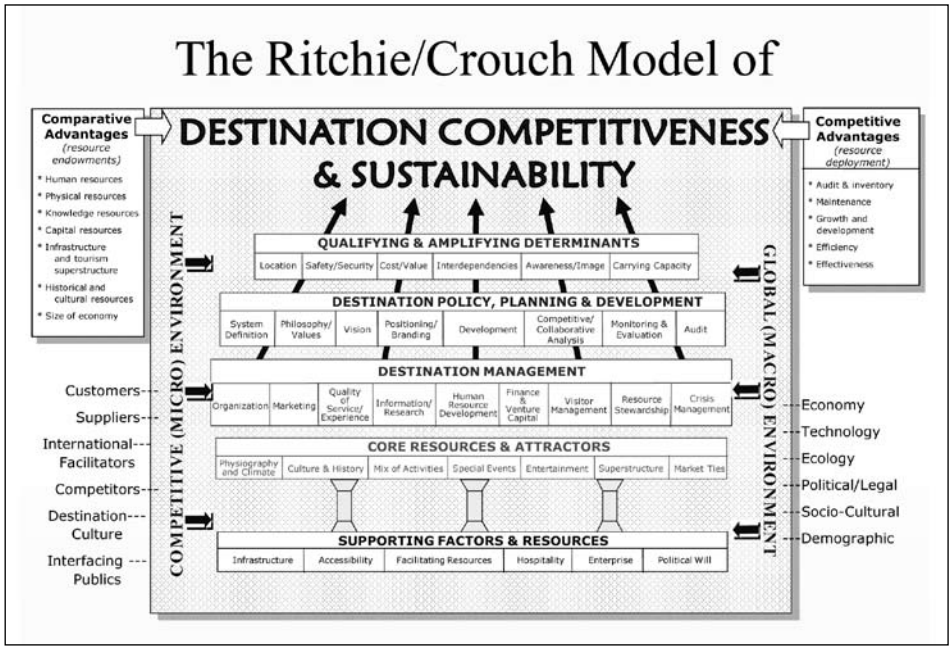
2. Model of destination competitiveness/sustainability

The research on which this model is based extended over an eight-year period — and consisted primarily of a series of qualitative interviews with the CEOs

of DMOs, primarily in North America but also Europe and elsewhere. These CEOs were asked to identify and prioritize the factors that they believe determine the competitiveness and success of tourism destinations. The reader should keep firmly in mind that for present purposes, the responses and the resulting model (see figure 1) have been adapted to the country of Brazil as a tourism destination.

In this regard, our model emphasizes that Brazil is seeking to achieve success by means of creating and/or benefiting from two principal types of strategic advantage.

Figure 1
Conceptual model of destination competitiveness



Firstly, *comparative advantages* (based on resource endowments) are those with which Brazil has been blessed by God and/or nature — as well as those which the country and its society have developed and accumulated over time. This includes the nation's historical and cultural resources, its economy, its human and physical resources, its knowledge and conceptual resources, the cumulative basic infrastructure which visitors expect to be available even though it probably does little to attract them — and finally, the elements of

the tourism superstructure which have been put in place specifically to attract and satisfy the interests of visitors.

Next, the effectiveness and efficiency with which Brazil deploys its resource endowments (or resource deployment) leads to growth and development in its tourism sector, thus contributing to the creation of *competitive advantages*. Together the nation's comparative advantages plus its competitive advantages in tourism create Brazil's overall ability to compete in the tourism marketplace — and ultimately the levels and types of success that it realizes in the tourism field.

3. An overview of components of the model

The global (macro) environment

The tourism system is an open system. That is, it is subject to many influences and pressures that arise outside the system itself. This is the global or macro environment. It consists of a vast array of phenomena which broadly impact all human activities and which are therefore not specific to the travel and tourism industry in their effects. By comparison, the competitive or micro environment is part of the tourism system because it concerns the actions and activities of entities in the tourism system which directly affect the goals of each member of the system whether they be individual companies or a collection of organizations constituting a destination.

The macro environment is global in its scope. Events in one part of the world today can produce an array of consequences for Brazil. Global forces can alter the country's attractiveness to tourists, shift the pattern of wealth to create new emerging origin markets, adjust the relative costs of travel to Brazil, and disrupt relations between other cultures and most of Brazil. These forces present the country with a number of special concerns, problems, or issues that Brazil must either adapt to, or overcome.

The global (macro) environment is in a constant state of change and evolution. Destination managers need to regularly monitor the environment if they are to understand the 'big picture' and anticipate and pre-empt changes altering the tourism landscape. Marketers will recognize this as the need to avoid 'marketing myopia'.

Macro environmental factors are often categorized into six principal groups related to the *economy*, *technology*, *ecology*, *political and legal developments, socio-cultural issues*, and the constantly evolving *demographic environment*.

The competitive (micro) environment

A destination's competitive (micro) environment is made up of organizations, influences, and forces that lie within the destination's immediate arena of tourism activities and competition. These *close-in* elements of the environment tend to have a more direct and immediate impact than do elements of the global (macro) environment, as a general rule. The microenvironment, because of its proximity and greater sense of immediacy, often occupies the attention of managers due to the ramifications for the destination's ability to serve visitors and remain competitive.

Apart from the destination itself, the competitive (micro) environment includes other entities that together form the so called 'travel trade', in addition to the various tourism markets, competing destinations, and a destination's publics or stakeholders. As components of the *tourism system*, they shape the immediate environment within which a destination must adapt in order to compete. The components include both **suppliers who** are connected to tourists through tourism marketing channels consisting of **intermediaries and facilitators**. These include *tour packagers*, who assemble tourism products or experiences from among the vast alternatives supplied; *retail travel agents*, who provide information and reservation convenience and expertise to tourism markets; *specialty channellers*, such as incentive travel firms, corporate travel offices, meeting and convention planners etc. who, by their nature, provide specialized forms of travel planning and organization; and *facilitators*, who assist in the efficient and effective functioning of the tourism system by improving the flow of information, money, knowledge, services, and people.

Customers, that is travellers and tourists, are, or at least should be, the focus and source of the driving force in the competitive (micro) environment.

Another element of the competitive environment are the **competitors** themselves; that is, other destinations, organizations, or firms with which an entity competes because they offer broadly similar products to essentially the same group of customers, at least in part. Traditionally, these 'competitors' have been regarded as adversaries. Increasingly, however, in these days of downsizing, partnerships, and virtual corporations, a new world, 'coopetition', is being added to the lexicon of the business world to reflect the fact that other organizations or entities can present both cooperative as well as competitive challenges.

A destination's **internal environment or internal culture** is also an element of the micro or competitive environment affecting its competitiveness. To be competitive, a destination must function as a real entity. That is, it must

have a sense of itself. In other words, it should have a purpose and be managed in a way that promotes the pursuit of that purpose. In the case of Brazil, the author suspects that it probably plays a strong and unique role in shaping the country's tourism image, as well as its reality.

The final element of a destination's competitive (micro) environment involves the many **publics** with which a destination must contend and satisfy. These include the media, government departments, the general public, local residents, financial institutions, and citizen action groups.

Core resources and attractors

This component of the model describes the primary elements of destination appeal. It is these factors that are the key motivators for visitation to a destination. While other components are essential for success and profitability, it is the core resources and attractors that are the fundamental reasons that prospective visitors choose one destination over another. These factors fall into seven categories; physiography and climate, culture and history, market ties, mix of activities, special events, entertainment, and the tourism superstructure.

Because so much of the tourism experience is associated with the physical resources of a destination, the **physiography and climate** of a destination can be so important that it dominates other factors of competitiveness. Since 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, a destination's physiography and climate is the one parameter of core attractiveness around which other factors must be creatively developed.

Similarly, the **culture and history** of a destination can be an enormously important factor as well. Although it may be viewed as somewhat more malleable than physiography and climate from a management perspective, the culture and history of a destination is also determined by factors 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 visi-

tor. This force appears to be 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. From the author's perspective, Brazil would appear to possess many competitive advantages on this dimension of the model.

The **market ties** component of destination attractiveness is also outside the direct control of tourism destination managers. Nevertheless, it is one that evolves over time, and one that 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, while 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. Other ties include religion, sports, trade, and culture.

The range or **mix 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. While 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 activities dimension of destination attractiveness appears to be growing in importance as the traveller increasingly seeks experiences that go beyond the more passive visitation practices of the past. In *The experience economy: work is theatre and every business a stage*, Pine and Gilmore (1999) argue that customer experience rather than customer service is a hallmark of new economic growth: 'Experiences are a fourth economic offering [the others being commodity, good, or service], as distinct from services as services are from goods…' (p. 2). 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 the activities mix. Here, Brazil possesses some very unique and powerful components. The just finished Carnaval de Rio is a prime example. 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. While 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.

Entertainment is another category of destination core resources or attractors. The entertainment industry is a major supplier to travel and tourism. Apart from gambling, the Las Vegas experience is based on entertainment. Many visitors to New York or London include a live show in their travel itinerary. Entertainment can even attract tourists internationally. New Zealand is an important market for theatre productions in Melbourne and Sydney that are too expensive to stage in the smaller New Zealand market. The theatre, concerts, comedy festivals, operas, and circuses such as Cirque du Soleil are examples of the contribution that the entertainment sector can make toward a destination's competitiveness.

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'.

While 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. 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*, as the term implies, support or provide a foundation upon which a successful tourism industry can be established. A destination with an abundance of core resources and attractors but a dearth of supporting factors and resources, may find it very difficult to develop its tourism industry, at least in the short term, until some attention is paid to those things that are lacking. This may not be easy in a location or region which is poor, undeveloped or under populated. The question then becomes, how can the destination begin to use, albeit in a modest way, its abundant attractions to build gradually a tourism industry which will create the wealth, taxes, employment, and investment necessary for the provision of the missing supporting elements.

In a region that already enjoys a broad economic base, this question may not arise. Even so, the quality, range, and volume of supporting factors and resources are still likely to significantly shape the realization of tourism potential. Where the question does arise, however, particularly careful planning and management is required to ensure a proper balance between tourism growth and the development of infrastructure and other facilitating resources. Without such a balance, economic, social, ecological, and perhaps even political systems might be placed at risk.

One of the most important supporting factors is the condition and extent of a destination's general **infrastructure**. Some elements of infrastructure have a very direct influence on destination competitiveness. For example, transportation services and facilities are vital to travellers. Highways, railways, bus services, airports, ferries etc. convey travellers to and from desired points of interest. The quality of transportation infrastructure is as important as it's mere existence. A destination is more competitive when transportation systems are reliable, efficient, clean, safe, frequent, and able to take travel-

lers to the locations and attractions of greatest interest. In fact, infrastructure elements important to all economic and social activity, such as sanitation systems, communication systems, public facilities, a reliable and potable water supply, legal systems etc., also provide the basis for an effective and efficient tourism industry.

Successful tourism development also depends on a range of other **facilitating resources** and services such as the availability and quality of local human, knowledge and capital resources, education and research institutions, financial institutions, various areas of the public service etc. The labour market in terms of available skills, work ethics, wage rates, union demands, and government regulations is particularly important in a sector of the economy where customer service is critical. The availability of capital resources will depend on the extent of local wealth and savings for investment, competition for capital from other industries, government constraints on foreign investment, and the return investors expect to be able to generate from investment in tourism development. The lack of these sorts of resources may severely limit a destination's competitive potential.

The health, vitality, and sense of **enterprise**, entrepreneurship and initiatives in developing new ventures in a destination, contributes to its competitiveness in a number of ways. These include competition, cooperation, specialization, innovation, facilitation, investment, growth, income distribution and equity, risk taking, productivity, gap filling, product diversification, seasonality management, and disequilibria (Crouch and Ritchie, 1995). The tourism industry is replete with many small to medium sized enterprises. The extent to which tourism development advances economic prosperity and the quality of life of residents, depends significantly upon the actions and success of these firms. Porter (1990:125) 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, because entrepreneurship is not a random phenomenon.

The **accessibility** of the destination, too, is a supporting factor since it is governed by a wide variety of influences, many of which depend on broad economic, social, or political concerns. For example, regulation of the airline industry; entry visas and permits; route connections, airport hubs, and landing slots; airport capacities and curfews; competition among carriers etc., affect the accessibility of a destination in more complex ways than its mere physical location might suggest. Within a destination, too, the accessibility of tourism resources is also a competitive issue. Although the accessibility of resources such as beaches, mountains, national parks, unusual land formations, scenic

regions, lakes and rivers etc. will undoubtedly be influenced by the needs of the tourism industry, other economic, social and sometimes political needs often govern the location of roads and railway lines, for example. A destination's resources are hardly relevant to the issue of competitiveness unless they are accessible to potential tourists and tourism operators alike.

The operating sectors of tourism are responsible for delivering high quality, memorable experiences. Care must be taken, however, to wrap these experiences in a warm spirit of **hospitality**. Quite simply, it is not enough to deliver all the attributes of an experience in a cold and detached manner. Each individual visitor must feel that they are more than a source of cold cash revenue for the business or destination. Rather, visitors have a natural human desire for warm acceptance as they seek to enjoy the range of experiences the Destination has to offer. As such, the challenge facing destinations is to deliver their experiences in a way that enables the visitor to believe they are welcome; that they are truly a guest. Here again, Brazil appears to have a "built-in" advantage!

A further factor that can support or hinder destination competitiveness is the degree of **political will**. Many destination executives we have spoken to have noted how their efforts to develop their destination have either been assisted or frustrated by an abundance or lack of political will respectively. The saying, 'where there is a will, there is a way', captures the important role that political support can exert in facilitating efforts by the tourism industry to create a competitive destination. Political will is not just a function of the attitudes and opinions of politicians alone. All community leaders shape political attitudes toward the contribution that tourism might make in helping to stimulate economic and social development and the resultant quality of life in the destination.

Destination policy, planning and development

A strategic or policy-driven framework for the planning and development of the destination with particular economic, social, and other societal goals as the intended outcome can provide a guiding hand to the direction, form and structure of tourism development.

In order to formulate a strategic framework it is first necessary to decide or agree on the framework's subject: that is, 'precisely what is the framework meant to govern?' This requires an explicit recognition and common understanding across those stakeholders involved in the process concerning the **sys-**

tem definition of the tourism destination involved. Before different parties can agree or come to some consensus on what needs to be done, they must first agree on the entity for which the strategy is to be developed.

In the process of developing a policy-driven framework for destination development, various philosophical perspectives are likely to emerge among the stakeholders concerned. A community's **philosophy** on the best way to address economic, social, environmental, and political goals through tourism development will shape the policy framework. This philosophy needs to fit the circumstances but there also needs to be some consensus agreement among stakeholders as to the right or at least prevailing philosophy, which should guide tourism in Brazil in this case.

The destination **vision** (Ritchie, 1993) is a statement or understanding of what such a philosophy logically suggests makes most sense as to what the destination should be like in 10, 20, or 50 years. The same general philosophy might, for example, suggest different visions in different circumstances. Where a philosophy is a way of looking at a problem, a vision is more a specific definition of what the destination should become when adopting a particular philosophical perspective.

A tourism development policy, if grounded in reality, ought to be based upon an **audit** of the destination and its attributes, strengths and weaknesses, problems and challenges, past and current strategies etc. Without some fundamental data on the significant attractions and resources, historical performance, current visitors, and other vital information, the formulation of a policy framework for developing the destination remains an abstract exercise.

Similarly, **competitive/collaborative analysis** is an evaluation of how the destination relates and compares to other destinations and the international tourism system. Because competitiveness is a relative concept, decisions about the most appropriate policy or strategy for developing a destination must be made in the context of what other destinations are doing and how they are performing.

A similar issue involves the marketing concept of **positioning**. An athletic sprint event is a one-dimensional race from a starting point to a finish line. But destination competitiveness is not one-dimensional, and positioning is all about where, in cognitive rather than physical space, a destination is positioned vis-à-vis its competitors. Positioning is all to do with how unique a destination is perceived to be in ways that tourism markets value or regard as desirable or important. Destination positioning entails knowing how different market segments currently perceive the destination against competing destinations, which market segments it makes most sense to covet and therefore

target, and how the destination might be effectively and feasibly repositioned with respect to these segments.

Destination policies for tourism **development** should be formulated as an integrative system of mechanisms designed to work in concert such that overall competitiveness and sustainability goals can be achieved. Development policies should address the full range of important issues that govern destination competitiveness including both demand and supply oriented concerns.

The final element comprising destination policy, planning and development concerns the need and importance of **monitoring and evaluation** of policies and their outcome. The effectiveness and impact of policies in a complex system can neither be forecast nor predicted with a high degree of confidence when initially formulated. Add to this the fact that the eventual outcome is as much a function of how well the policies are implemented, as it is a function of the policies themselves. Hence, the task of policy formulation, planning and development must continue to include research into how well such policies are performing, whether improvements to implementation are needed, or indeed, whether circumstances have changed rendering the policies no longer relevant or effectual.

Destination management

The *destination management* component of the model focuses on those activities which implement, on a daily basis, the policy and planning framework established under *destination policy, planning and development*, enhance the appeal of the *core resources and attractors*, strengthen the quality and effectiveness of the *supporting factors and resources*, and adapt best to the constraints or opportunities imposed or presented by the *qualifying and amplifying determinants.* These activities represent the greatest scope for **managing** a destination's competitiveness as they include programs, structures, systems and processes which are highly actionable and manageable by individuals, organizations, and through collective action.

Perhaps the most traditional of these activities is the function of destination **marketing**. In practice, destination marketing has tended to focus on the task of promoting and selling the destination. That is, the concept of marketing has only been applied to the destination in very limited ways. As a result, there is much scope for improving the application of a true marketing philosophy. Beyond promotion and selling, marketing responsibilities and activities are manifold.

The importance of the **service experience** dimension of destination management has also been recognized for some time. Tourists are buying *experiences*, and experiences are made up of all of the interactions, behaviours, and emotions which each tourist permits their five senses to perceive and absorb. The choice of hotels, restaurants, attractions, tours etc. is incidental to the choice of the destination. Efforts to enhance the quality of service (QOS) provided to visitors have recently been complemented by 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 service 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 and transaction-specific visitor service is not enough.

The **information/research** 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.

The concept of the DMO where the 'M' emphasizes total 'management' rather than simply 'marketing' is a somewhat recent conceptualization of the **organization** function for destination management. Within this refocused philosophy, a broader view is taken of the organizational structure of the destination that, in the opinion of Nadler and Tushman (1997) may be one of the last remaining sources of truly sustainable competitive advantage. This broader view sees management as responsible for the well-being of all aspects of the destination.

While financial institutions will normally fund most private sector tourism development, financial markets and investors, some public sector support or programs can assist the availability of **finance and venture capital** to tourism developers.

Similarly, destination management can play a key role in **human resource development** by further encouraging and stimulating education and

training programs designed to meet the specific needs of the tourism and hospitality industries. Although quality education systems are a fundamental element of the facilitating resources under *supporting factors and resources* (see above), education programs are required which specifically address the skills required by employers in tourism and hospitality just as other industries or economic sectors have cooperated with educational institutions to develop graduates skills in other fields. Australia is an example where educational institutions have responded to the needs of the industry at both secondary and tertiary levels and in terms of both vocational and professional education and training.

As the travel and tourism industry continues to grow rapidly, concerns have been expressed in various destinations subject to large numbers of visitors, that policies and systems are required for **visitor management** in order to exert some influence over visitor impacts. Obviously, this can be a special challenge when hosting a wide-open "spirited" event like the Carnaval de Rio!

Another increasingly important challenge for destination managers involves **crisis management**. Destinations have always, from time to time, had to deal with various crises affecting visitors at the time of the crisis as well as the after effects in terms of a tarnished destination image. Anecdotally, in recent years, it seems that crises have become more problematic for destinations. The impact of the September 11 2001 terrorism in New York and Washington was an extreme example with some visitors to New York or passengers on board the hijacked planes losing their lives. The New York Visitors and Convention Bureau has had to contend with the significant aftermaths of that crisis ever since, but the events had broader impacts for the entire U.S. tourism industry as well. It is easy to think of numerous other acts of terrorism which destinations have also had to contend with over the years. But crises may arise for many different causes. When such crises occur, destinations need to be able to respond in an effective way to deal with the immediate impact of the event as well as its longer term consequences.

The final component of destination management in our model of destination competitiveness is a new, but increasingly significant one. **Resource stewardship** is a concept that stresses the importance, indeed the obligation, which destination mangers have, to adopt a 'caring' mentality with respect to the resources that make up the destination. This caring mentality involves effective maintenance of those resources and a careful nurturing of those that are particularly vulnerable to damage that may be caused by tourism.

Qualifying and amplifying determinants

Finally, the potential competitiveness of a destination is conditioned or limited by a number of factors which fall outside the scope of the preceding four groups of determinants: [core resources and attractors; supporting factors and resources; destination policy, planning and development; and destination management]. This final group of factors, which we have called *qualifying and amplifying determinants*, might alternatively have been labelled *situational conditioners* because it represents factors whose effect on the competitiveness of a tourist destination is to define its scale, limit, or potential. These qualifiers and amplifiers moderate or magnify 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, a destination's **location** clearly has much to do with its ability to attract visitors. A physically remote destination, one that is far from the world's major originating markets for tourism, is clearly at a distinct disadvantage to begin with. On the other hand, another destination perhaps as equally attractive to potential travellers, but which neighbours major markets, is in a much stronger position to be able to convert latent interest into actual visitation because it has the advantage of familiarity, and lower travel cost (both monetarily and in terms of the opportunity cost of travel time).

A related but nevertheless different phenomenon concerns the **interdependencies** that exist between destinations. In other words, the competitiveness of any destination is affected by the competitiveness of other destinations. This can best be illustrated if we consider the situation of 'stopover' destinations for a moment. You can probably think of destinations that depend, at least to some significant extent, on travellers who break their journey to or from more distant destinations. Should the attractiveness of those distant destinations change either positively or negatively, the stopover destination is sure to experience some consequent impact? Another example concerns the impact of terrorist events, wars, and crime in a neighbouring region. There are many examples of how events such as these have dramatically impacted the destination choices of travellers.

This leads us to the specific issue of **safety and security**. Nothing can influence the choices of travellers more powerfully and patently as concerns over safety and security. Here again, this factor can be particular relevant for large cities like Rio where 'minor' theft can create great discomfort in the minds of visitors. Of course there will always be the intrepid tourist who dis-

regards travel advisories, warnings, or adverse media coverage of events in dangerous destinations. While some travellers might even seek out dangerous or risky experiences for the excitement and challenge they represent. In fact, most people tolerate only a limited degree of uncertainty and risk. The need for safety, along with the physiological needs of food and shelter, represent primary motivational forces behind human behaviour. If potential visitors are gravely concerned about crime, the quality of drinking water, the risk of natural disasters, the standards of medical services etc., other competitive strengths may amount to very little in the minds of these people. Tourism authorities may launch recovery programs in response to these problems, and these may help somewhat. But problems such as these often dwarf the tourism industry's ability to overcome them.

The **awareness and image** of a destination can also qualify or amplify its competitiveness. The image of a destination can take time to change even though the reality at a destination no longer accords with a negative or positive image. Hence, a negative image will qualify improvements at a destination and a positive image will cushion the effect of problems such as crime or high living costs. Low awareness will also ensure that destination image changes slowly, but the effect of awareness also impacts the likelihood that a potential tourist will even consider visiting a destination.

We have also included **cost/value** as a qualifying and amplifying determinant. Now at first it may seem strange as to why we have classified cost in this way when the 'cost' of a destination can be associated with the specific range of goods and services consumed by visitors to the destination, and the efficiency with which those products are produced. However, although this is true, because the cost of a destination to a foreign visitor is driven by such a broad range of local, domestic, and global forces, and because cost, in itself, is so fundamental to the question of competitiveness, it makes more sense to treat cost as a qualifying and amplifying determinant than to incorporate it in any of the other four categories of destination competitiveness factors.

The monetary cost of a destination is governed by three factors: (1) the cost of transportation to and from the destination, (2) the currency exchange rate (in the case of international travel), and (3) the local cost of tourism goods and services. Many aspects of the global (macro) environment (e.g. international trade balances, relative interest rates, relative inflation, taxes etc.) and competitive (micro) environment (e.g. competition, productivity, cost of supplies, labour rates and agreements etc.) will affect costs. Consequently cost is largely governed by economic structures within the destination and its comparative international position.

Finally, a destination's **carrying capacity**, if close to or in excess of its sustainable limit, can clearly serve not only to restrict the further growth and/or the competitiveness of a destination. It can also result in a deterioration of conditions at such a destination, or a decline in its apparent attractiveness. Venice, for example, is clearly an extremely popular destination that is under stress in terms of its carrying capacity. It remains very popular but struggles to cope with visitors at certain times of the year. Indeed, the restricted system of access to Venice effectively serves as a ceiling on visitor numbers during these peak periods.

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