

2018 Goyang Destination Week
Special Session



Kyung Hee
University

Destination Competitiveness: What, Why, and How

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Purpose of this Study

1

The purpose of developing destination competitiveness model is to explore the indicators which can identify the characteristics of destination and create a sustainable destination value.

2

The purpose of developing destination competitiveness model is to provide the operational excellence of destination capacity-building and framework for implementing destination policy and creating destination demand.

Introduction

1

Interest in destination competitiveness has stimulated both research studies and destination policy debates. The review of the literature on destination competitiveness revealed that none of the models that have been proposed to date are entirely satisfactory.

2

In particular, they do not provide a comprehensive treatment of the various issues surrounding the notion of 'competitiveness' that must be taken into account in developing a comprehensive framework of destination competitiveness (Ritchie and Crouch 2003; Dwyer and Kim 2003; WEF 2015).

3

Ritchie and Crouch (2003) propose that "what makes a destination destination truly competitive is its ability to increase destination expenditure, to increasingly attract visitors, while providing them with satisfying, memorable experiences, and to do so in a profitable way, while enhancing the well-being of destination residents and preserving the natural capital of the destination for future generations."

Characteristics of Competitiveness

Key features of competitiveness concept

Concept of dynamic, multidimensionality, complexity

The competitiveness is multidimensional (Niosi & Jorge, 1991), relative, dynamic and complexity concept to strive for superiority (Crouch & Ritchie, 1999).

Corporate competitiveness & National competitiveness

M.E. Porter explains the concept of competitiveness by using key features as follows: 1) enterprise, the main agent of competitiveness; 2) industry, the analysis unit; and 3) country, the analysis scope. In this way, the concept of national competitiveness has been derived from the corporate and industrial competitiveness (Shim, 2006)

Comparison of Int'l Concept

Creation of sustainable added value

Capacity of national wealthy increasing

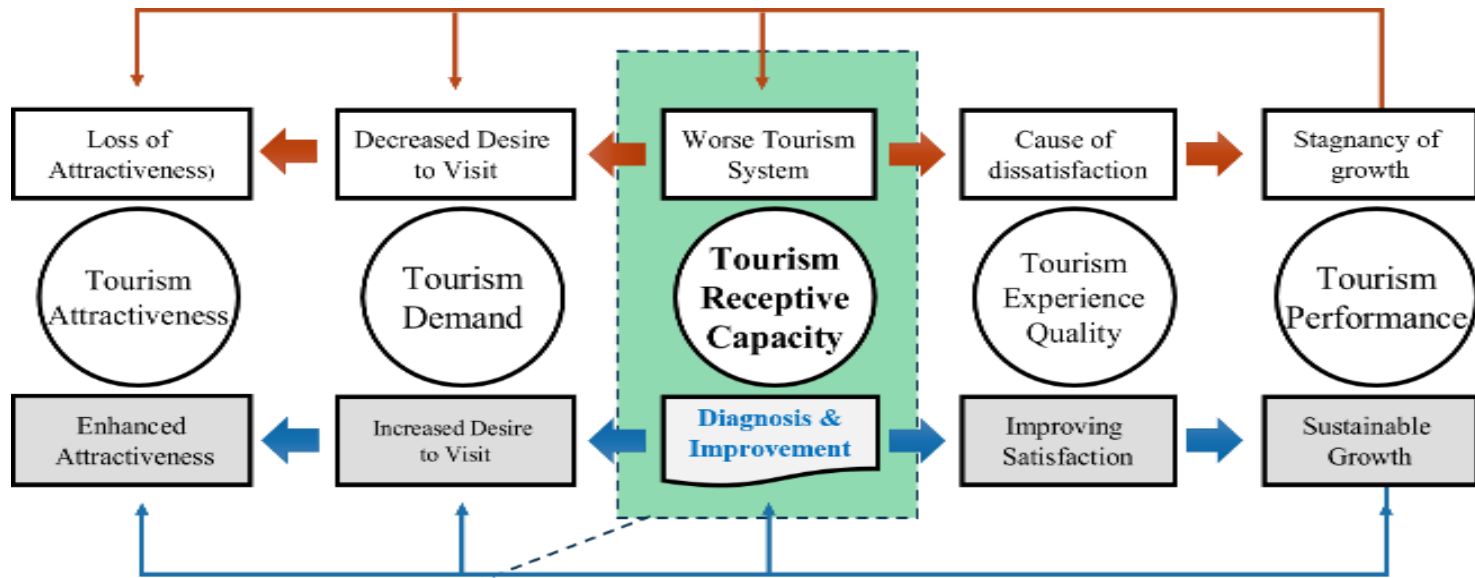
[Consolidated Concept] National Competitiveness

As a comparison concept, national competitiveness is capacity that the market environment and conditions of a country is able to increase the national wealth by constantly creating added value in the int'l market (Kim, 2007)

Literature Reviews and Issues

Levels Prior studies	National/City Competitiveness	Regional Competitiveness	destination Destination
<ol style="list-style-type: none"> 1. WEF -World Economic Forum 2. IMD-International Institute for Management Development 3. Simmie and Carpenter 4. Rovdrt Huggins Associates 5. WTTC-World Travel and destination Council 	<ul style="list-style-type: none"> • National Competitiveness Assessment • National Competitiveness Assessment • City Competitiveness and Sustainability • City Competitiveness Assessment • International Monitoring destination Competitiveness 	<p>Although there have already been many attempts to design a set of criteria for measuring destination competitiveness, <u>none of these are 100% effective</u> or conform adequately with certain destination purpose.</p>	<ol style="list-style-type: none"> 1. destination Destination Competitiveness Assessment (Dwyer & Kim) 2. destination Destination Competitiveness & Sustainability Assessment (Ritchie & Crouch) 3. TTCI (2017, WEF)
<p>Outcomes</p>	<p>WEF Index WCE Index KHU Index China's BTC Index</p>	<p>Cooperative Index Needs !</p>	<p>System of Measures for Excellence in Destinations (SMED).</p>

Issues of destination System



Need for establishing a virtuous cycle system of sustainable tourism competitiveness



Innovative Approach for Developing RTC

Tourism receptive capacity is very important for developing destination. For example, if there were an unsatisfactory destination receptive system in a certain region, the region's destination system would be negatively affected leading to a decreased destination situation attracting fewer visitors and losing destination attractiveness.

In contrary, a region equipped with excellent destination receptive capacity, the region would generate a virtuous cycle having a positive relationship among elements such as increased desire to visit, attractiveness, enhanced destination experience quality and a high level of destination performance.

Prerequisite for New Model and Indicators

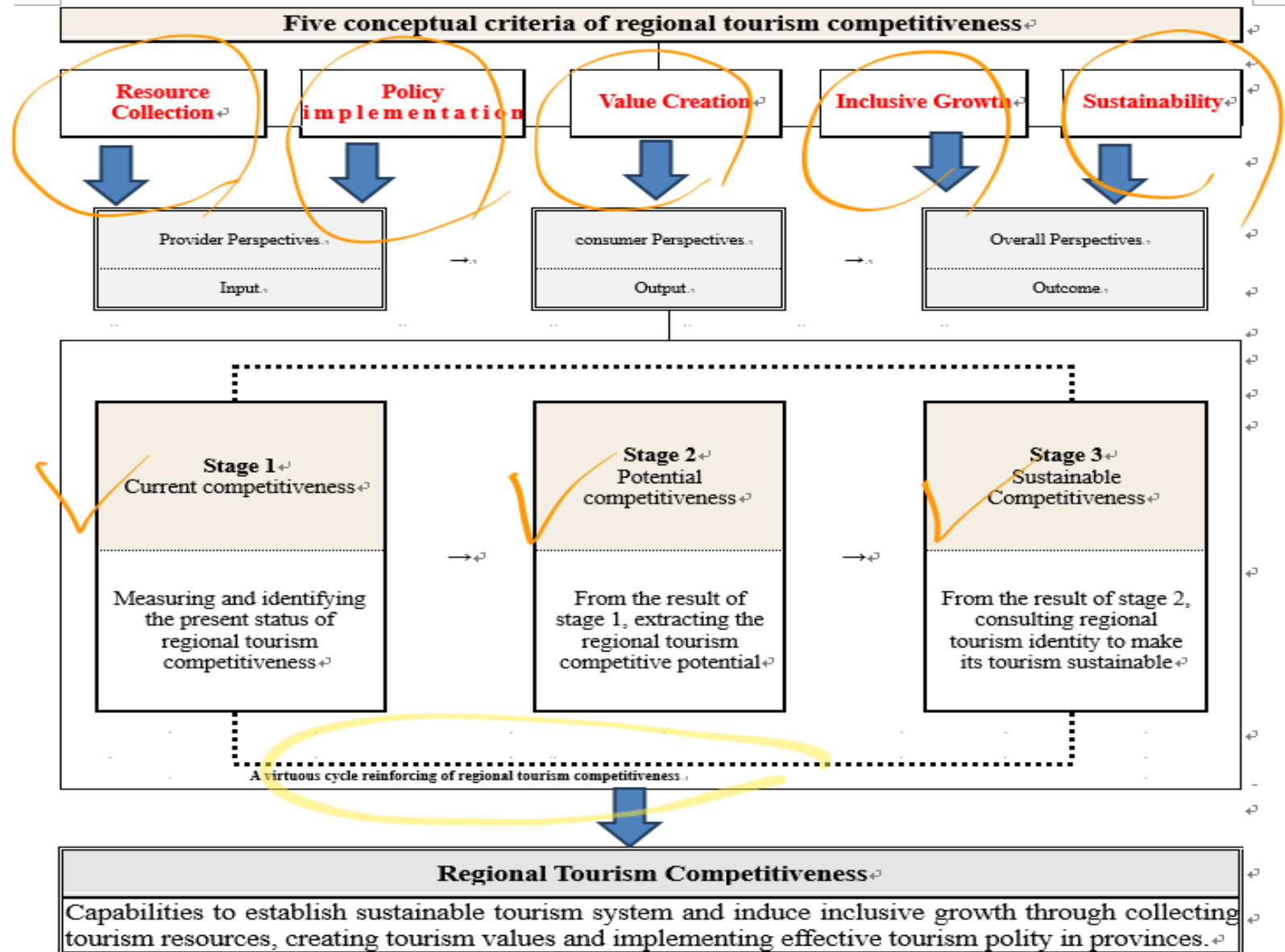
The destination competitiveness model must be necessarily considered as follows:

- 1) Factors identified from the demand and supply sides may be all related to destination competitiveness.
- 2) It is difficult to find an absolute measure in terms of competitiveness because destination competitiveness is double-edged, for although it could boost the region's economy but environment could be contaminated.
- 3) The competitiveness of destination can be handled from different perspectives of different stakeholders.
- 4) The destination competitiveness is related to the overall competitiveness of the local destination sectors, for example, accommodation, transportation (train, bus, taxi, car rental, airplane), food and beverage, travel business and convention etc.
- 5) The destination competitiveness can be examined at various stages of geographical analysis. In addition, the destination competitiveness can be examined in various perspectives as the regions have their distinct identities.

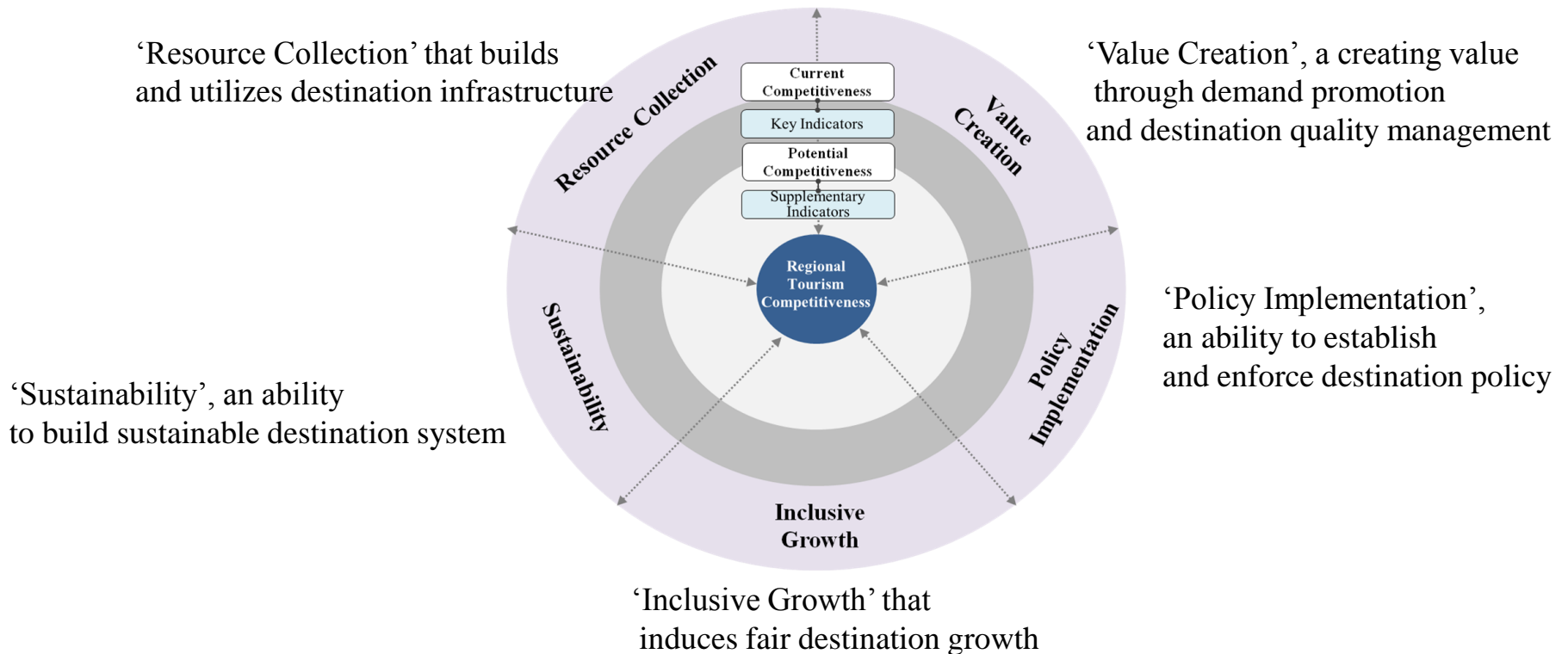
Prerequisite for New Model

6) The proper indicators of destination competitiveness include economic indicators and social indicators which cannot be objectively measured and a different approach is required for each indicator measurement.

The destination competitiveness model considering the above details provides a framework for developing quantitative and qualitative indicators. It will also suggest criteria for integrating appropriate indicators to measure the destination competitiveness.



Destination Competitiveness Model

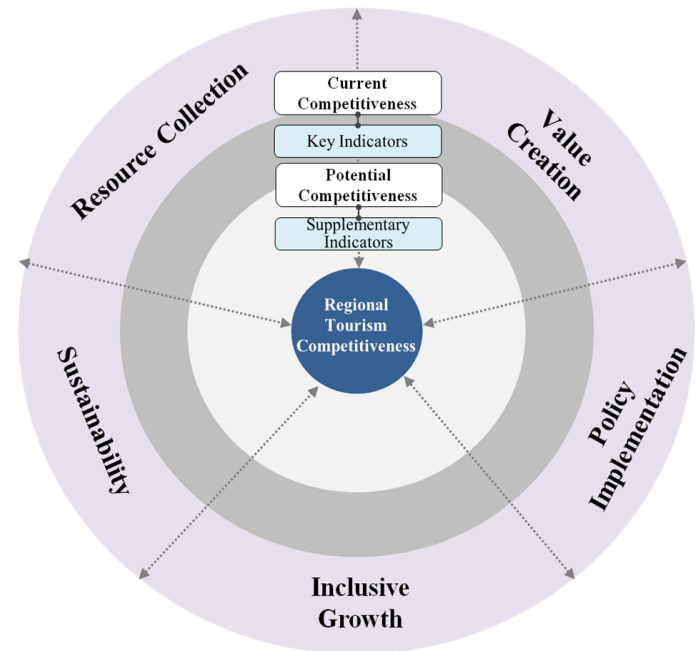


The model considering both suppliers and consumers delineates the well-balanced destination competitiveness to derive a viable model of destination competitiveness through the logical connection of these five concepts.

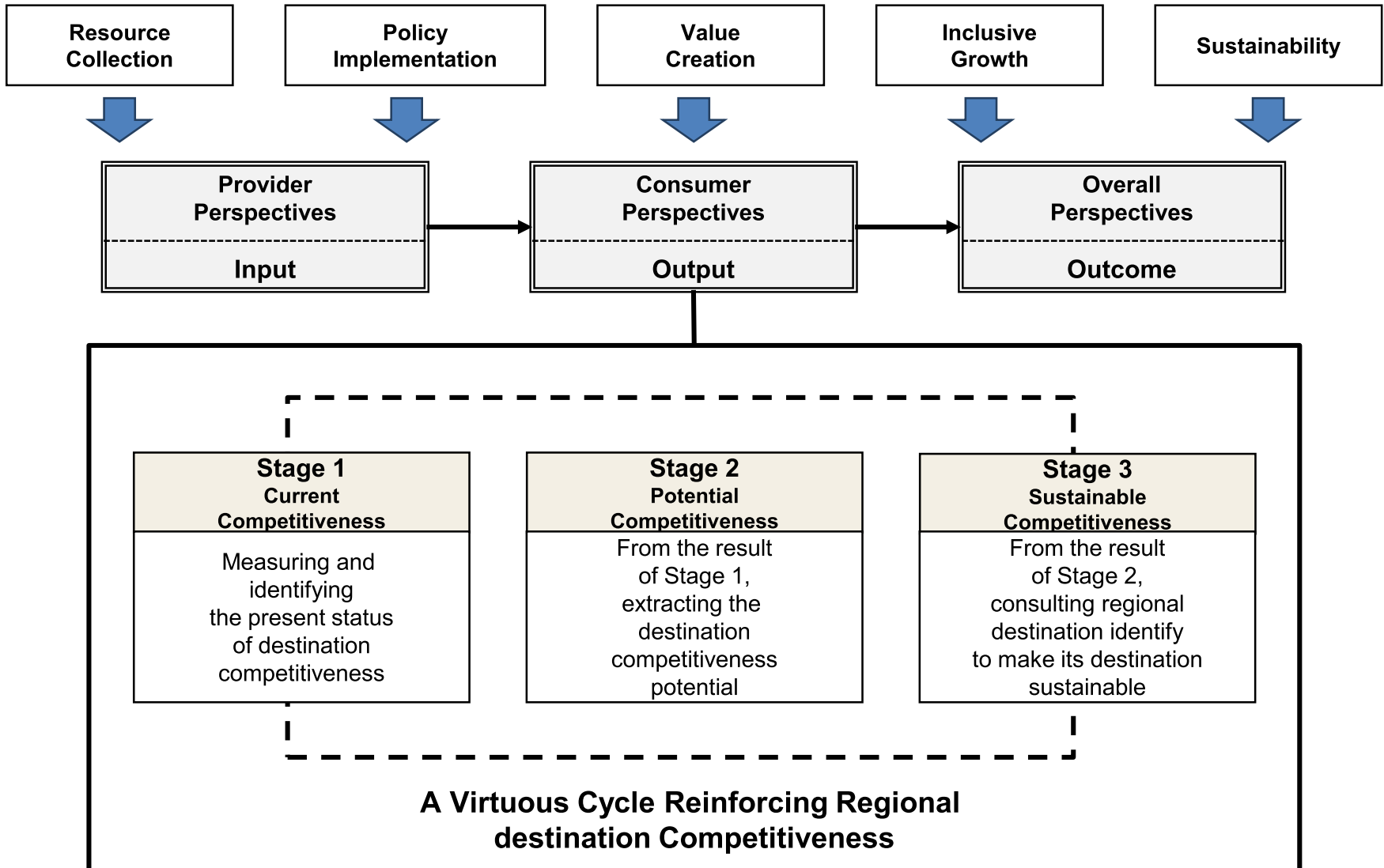
Virtuous Circle Structure

The size and nature of each region will be deliberately taken into consideration when supplementary indicators are developed.

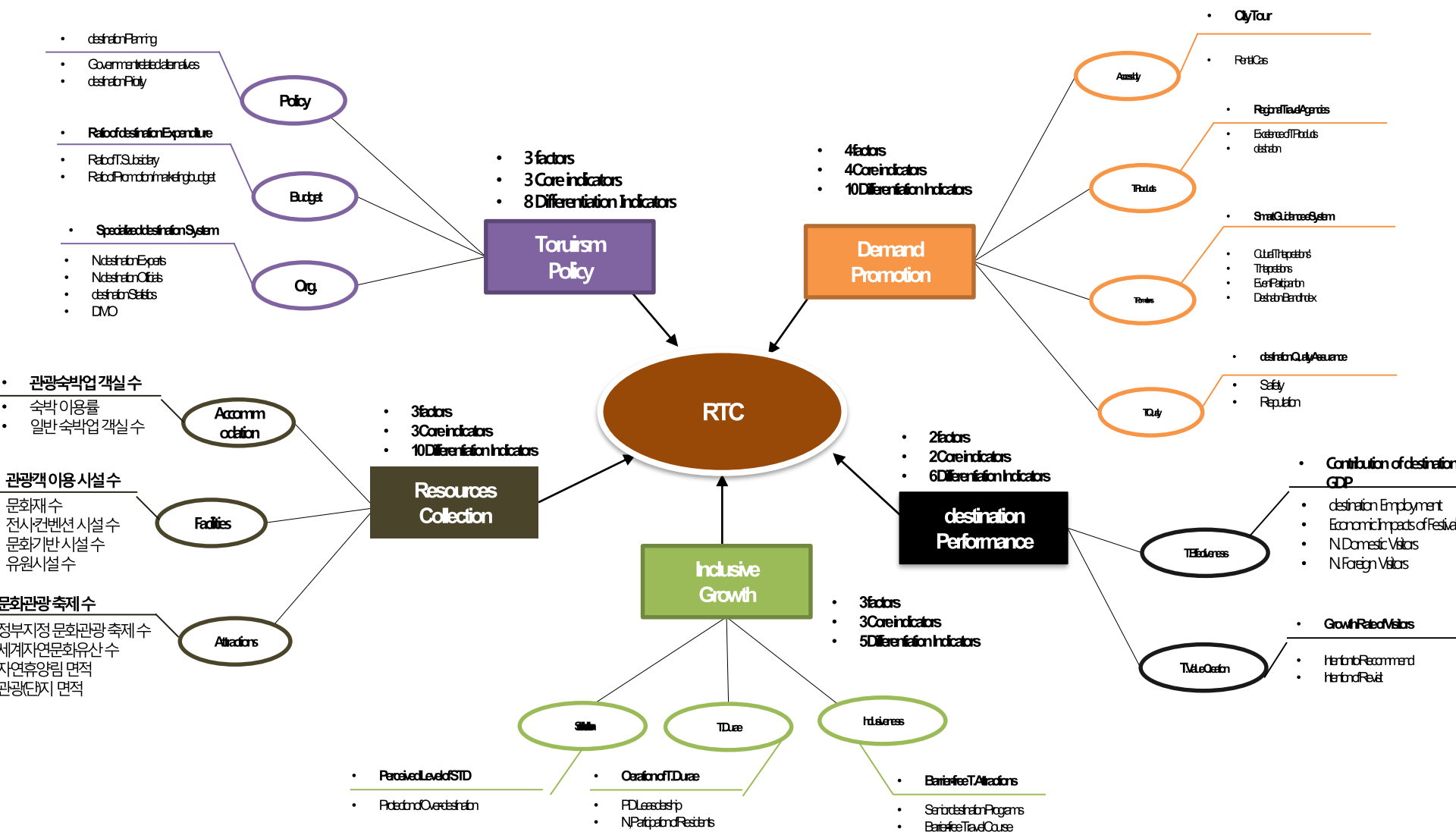
A destination competitiveness can be defined as “capabilities to establish sustainable destination system and induce inclusive growth through collecting destination resources, creating destination values and implementing effective destination policy in provinces”.



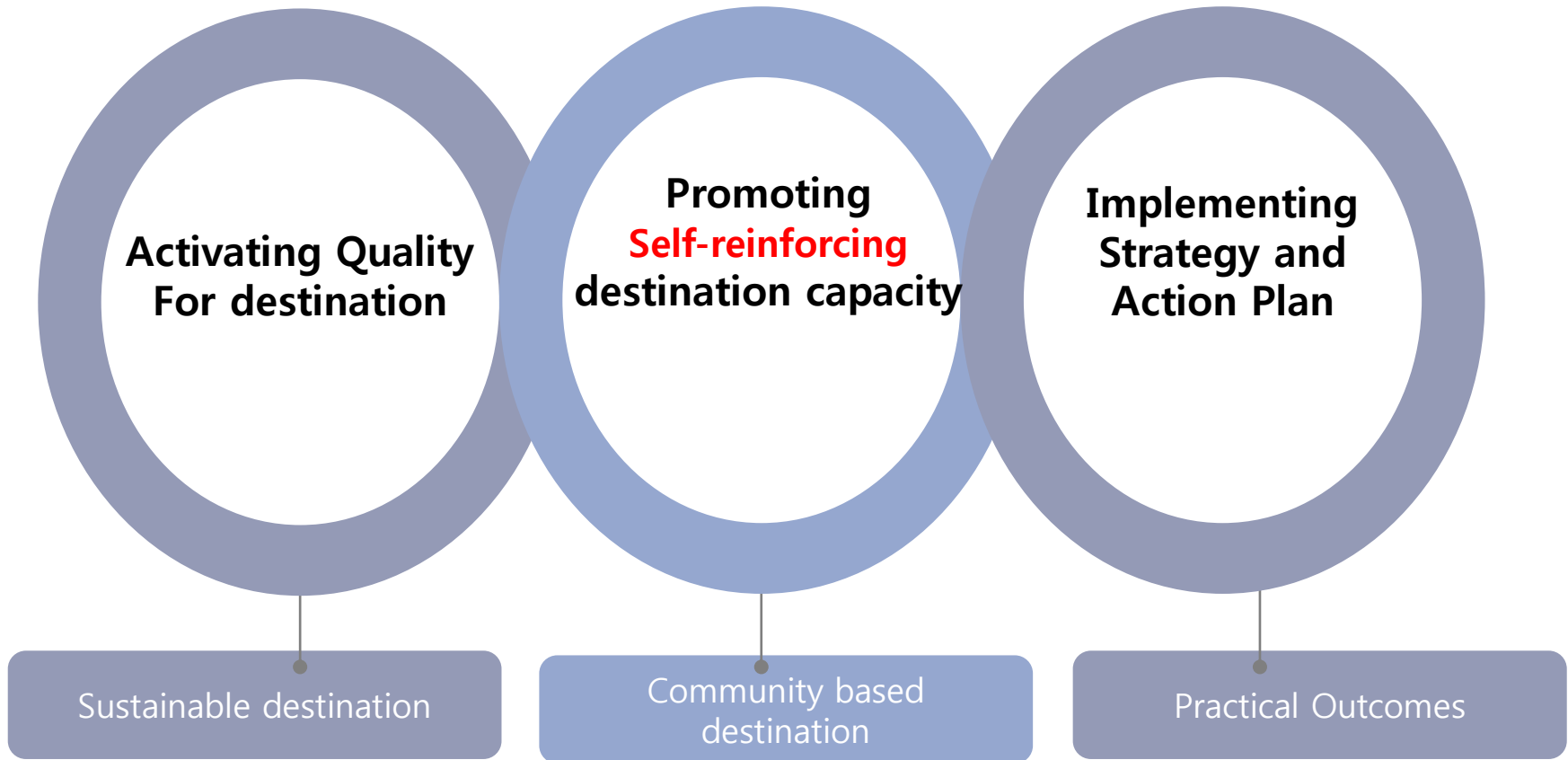
Five Conceptual Criteria of Destination Competitiveness



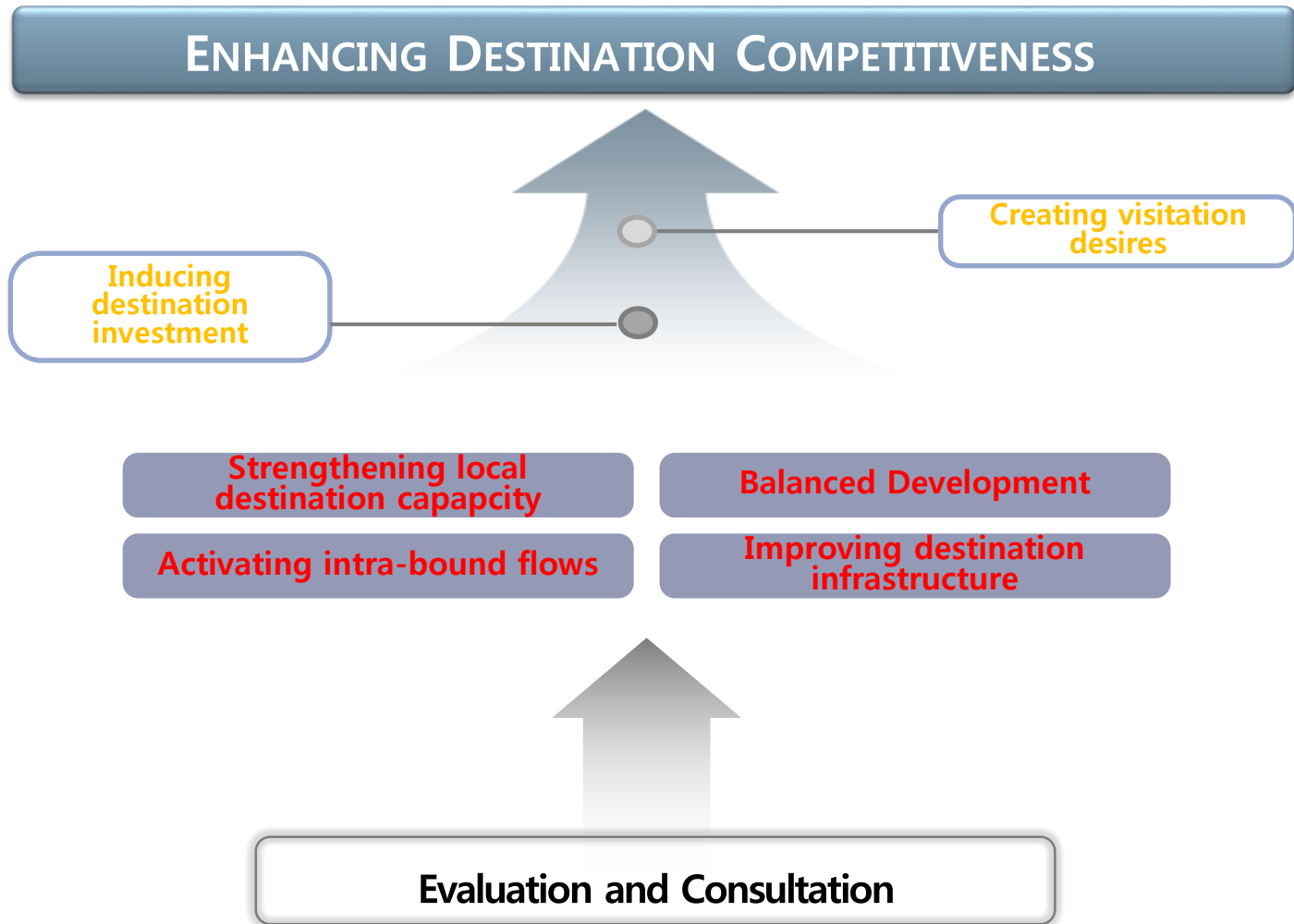
Destination Competitiveness Model



Implications



Implications



Implications

The model developed here can form the basis for further conceptual and empirical research. Perhaps the major thrust of the required research agenda is to explore the role of demand side factors in comparing the competitiveness of different regions as destination destination.

A substantial amount of empirical research is needed to develop suitable measures of destination competitiveness from the viewpoint of different types of stakeholders with their different needs and motivations.

The greater is our knowledge about the interrelationships between destination performance and destination receptive capacity attributes, the more useful and applicable can be regional destination competitiveness framework to policy-makers and private sector's stakeholders which are interested in enhancing resident socio-economic prosperity from the destination industry



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Q&A