

# Chapter 2

## The Evolution of Tourism Destination Competitiveness (TDC) Models

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### **ABSTRACT**

*The complexity of the tourism industry creates the need for the continuous evaluation of tourism destination competitiveness (TDC) models. For this reason, a proper review of the previous literature on competitiveness models and determinants was done to understand better the pertinent factors affecting TDC. This chapter reviews the competitiveness models developed by Porter (1990), Ritchie and Crouch (1993), Dwyer and Kim (2003), Heath (2003), and Gooroochurn and Sugiyarto (2005). Key criteria and determinants of competitiveness are synthesized and categorized. Finally, learning from the systematic review and their implications are listed.*

### **INTRODUCTION**

Over the past 70 years, tourism has experienced constant growth and diversification to become one of the largest and fastest-growing industries World Tourism Organization (2000). The tourism industry has grown into a favourable business sector that provides significant economic gains for countries worldwide (Balaguer & Cantavella-Jordá, 2002; Cárdenas-García, Sánchez-Rivero, & Pulido-Fernández,

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2015; Mowforth & Munt, 2008; Tugcu, 2014). The tourism industry is also a vital driving force towards the alleviation of poverty and regional disparities, especially in emerging destinations via the enhancement of employment and economic activities that come with tourism. In most developed and developing countries, the tourism industry has been identified as an essential income producer, surpassing both the manufacturing and agricultural sectors (Central Intelligence Agency, 2011). Given the increased competition among tourism destinations, it is necessary that tourism destinations focus on developing and promoting their different competitiveness qualities. Tourism competitiveness is based on the level of productivity determined by destinations set of tourism product, policies, environmental factors and competitive advantage (Cucculelli & Goffi, 2016; Koo, Shin, Gretzel, Hunter, & Chung, 2016). In addition, the level of competitiveness is a primary determinant of how well a destination performs in the global tourism industry (Dupeyras & MacCallum, 2013; Dwyer, Forsyth, & Rao, 2000; Hanafiah, Hemdi, & Ahmad, 2016a). A destination, therefore, must remain competitive if it is to optimise to its full potential and sustain and control a large share of the rapidly growing tourism market (Hanafiah, Hemdi, & Ahmad, 2016b).

When applied to tourism destinations, competitiveness seems to be linked to the capacity of a destination to provide tourism-related goods and services that are considered superior in the eyes of tourists in comparison to other competitor destinations (Abrham, 2014; Dwyer & Kim, 2003). These goods and services that constitute a competitive tourism industry depend on a range of factors, such as the business environment, infrastructure, laws and regulations and resources available (Jovanović & Ilić, 2016; Khadaroo & Seetanah, 2007a; Khadaroo & Seetanah, 2007b, 2008). To maintain a destination's competitiveness, it is necessary that the government continually enhance these countries tourism offerings by developing new destinations and products. However, it is a well-known challenge for tourism destinations to strengthen and even maintain their competitive positions in an ever-competitive global marketplace (World Economic Forum, 2013). In addition, the evaluation of a destination's competitiveness depends directly on the policies adopted, particularly regarding resource management. For this reason, the topic of tourism destination competitiveness (TDC) has become essential to tourism destination strategic planning and researchers (Mangion, Cooper, Cortes-Jimenez, & Durbarry, 2012; Mendola & Volo, 2017).

Defining TDC is as elusive as the search for a universal definition of international competitiveness, and there seems to be no generally accepted definition of TDC (Hanafiah, Hemdi, & Ahmad, 2016c; Koo et al., 2016; Mazanec, Wöber, & Zins, 2007; Mendola & Volo, 2017; Rainer & Kazem, 1994). Ritchie and Crouch (1993) defined

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